



# ***Daily Report***

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## **LAST ISSUE**

# **China**

FBIS-CHI-96-141

Monday

22 July 1996

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# Daily Report

## China

FBIS-CHI-96-141

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### General

**PRC: CPC Reportedly Outlines Policy Toward U.S.**  
*HK2207082596 Hong Kong TUNG HSIANG*  
*in Chinese 14 Jul 96 No 131, pp 20-21*

[Article by CHENG MING reporter Li Tzu-ching (7812 5261 0079): "Document Sets Six Principles for Foreign Policy"]

[PTS Translated Text for FBIS]

#### **CPC Issues Document on Principled Stand Toward the West**

The CPC General Office and the State Council General Office jointly circulated on 22 June a document drafted by the Ministry of Foreign Affairs entitled "On the Principled Stand on Foreign Intervention in China's Sovereignty and Internal Affairs," according to a well-informed source in Beijing political circles. The document included written instructions by Jiang Zemin, Li Peng, Qiao Shi, and Liu Huaqing.

The document was issued to party committees of various provinces, autonomous regions, and municipalities; party committees of various ministries, commissions, and offices directly under the central authorities; and party committees of various military regions and provincial military districts.

The document's appearance coincided with the CPC's decision to postpone the visit by German Foreign Minister Klaus Kinkel.

#### **"No Foreign Intervention in State Sovereignty and Internal Affairs Is Allowed"**

The document makes six points:

1. Intervention or interference in state sovereignty and internal affairs by any foreign government or parliament, foreign group, or international organization must never be tolerated or allowed.

2. Any issue involving state sovereignty and internal affairs falls entirely in the category of China's relations with other countries; this is the basic criterion for a country maintaining independence and keeping the initiative in its own hands.

3. If any foreign government, its leader, or its parliament interferes in China's sovereignty or internal affairs, it is imperative to make a firm, stern, and resolute representation or response through diplomatic channels.

#### **"No Compromise Will Be Made at the Expense of Political and Economic Interests"**

4. With respect to the interference of any foreign government, its leader, or its parliament in China's sov-

eignty and internal affairs, it is imperative to adopt corresponding measures in accordance with the nature and degree of the interference, including terminating, postponing, or canceling high-level reciprocal visits between governments or parliaments; terminating or suspending government negotiations and exchanges on political topics; recalling the ambassador to the relevant country; and downgrading or terminating bilateral diplomatic relations.

5. By no means will we compromise or change our policy on any issue that involves or has a bearing on state sovereignty and internal affairs, or on any issue that infringes upon state sovereignty or interferes in our internal affairs, even at the expense of any political or economic relationship or interest. This is a basic criterion for a country maintaining sovereignty and keeping the initiative in its own hands.

6. The Taiwan, Tibetan, and Hong Kong issues fall completely in the category of China's sovereignty and internal affairs. Governments and legislators of the United States and Western countries will continue to interfere in those issues in the future; we must take a firm principled stand and measures to respond and counterattack them.

#### **Excerpts of written instructions by CPC leaders are as follows: Jiang Zemin's Written Instruction**

Jiang Zemin's written instruction reads: "On the issue of state sovereignty and internal affairs, it is imperative to firmly, resolutely, and explicitly expound our principled stand to the West. This is applicable not only to the United States but also to Germany and other Western countries. Be it in the early days of the PRC, today, or in the future, we never did and never will tolerate foreign interference in issues of sovereignty and internal affairs. China is not a follower of hegemonist countries or a dependency of a Western group."

#### **Li Peng's Written Instruction**

Li Peng's written instruction reads: "With regard to Western governments and parliaments interfering in China's sovereignty and internal affairs, we will certainly make a solemn representation and adopt the necessary corresponding measures. Neither hegemonism nor Western strategic attempts against China will work."

#### **Qiao Shi's Written Instruction**

Qiao Shi's written instruction reads: "On principled issues that involve state sovereignty and internal affairs, China, standing on its own feet, will never tolerate interference and intervention by hegemonism and the West. The Chinese people will never forget the history

of Western countries invading, plundering, bullying, and oppressing China. China's development and growing strength can never be stopped by whatever means adopted by hegemonism and the West. We must be prepared to smash the strategy of containment adopted by the West, headed by the United States, which aims to stop China from growing stronger with each passing day."

#### **Liu Huaqing's Written Instruction**

Liu Huaqing's written instruction reads: "We must solemnly tell hegemonism and Western powers that on the issues of Taiwan, Tibet, and Hong Kong, which simply fall in the category of China's sovereignty and internal affairs, any interference and intervention are futile. We have experienced Western military threats, provocations, economic sanctions, political infiltration, and subversion against China. Having gone through conflict and ordeals, China, now growing strong, is entirely able to smash all strategic attempts by U.S. hegemonism and the West to conduct subversion, sabotage, and evolution in China."

#### **The Authorities' Analysis of Western "Containment Strategy" Against China**

In mid-June, the CPC General Office and the Central Propaganda Department jointly circulated a document entitled "Analysis of the Strategy of Containment by U.S. Hegemonism and the West Toward China," co-edited by the Central Committee policy research center and the Central Military Commission international strategy research center as study material for students of party schools at central and provincial levels. The 20,000-plus-character "Analysis" deals with eight points:

1. U.S. basic strategy toward China aims for evolution through infiltration, intervention, and subversion.
2. The United States has used Taiwan to create a long-term split in China to prevent China from developing and from growing prosperous and powerful.
3. The United States will continue to manipulate Japan and use Western countries to interfere with and affect China's political situation and social stability.
4. The United States has used and manipulated international organizations and Western countries to prevent China from joining the World Trade Organization so as to stop and affect the development of Chinese economic strength.

#### **Can It Be an Expression of "U.S.-Phobia"?**

5. The United States will use and force its followers, including Japan, to create the theory that China's military

expansion threatens its neighbors, thereby touching off tension between China and its neighbors and allowing U.S. military forces to expand in Asia.

6. The United States will continue to use and manipulate international anti-communist and anti-China organizations and forces to engage in interference, instigation, and sabotage against China's political situation.

7. The United States, the West, and Western economic groups and organizations will continue to ban the export of science and technology to China and exercise sanctions and control to impede and affect the development of China's scientific and technological strength.

8. U.S. strategy and policy toward China are based on the determination that Sino-U.S. relations will be unstable for a long time and that the two countries will compete for political and economic influence over the next 20 or more years.

For many years, the CPC has always viewed and dealt with Western countries, including the United States, from the perspective of "class struggle" and "struggles between the enemy and ourselves." This being the case, the CPC has always been terribly suspicious and in a state of extreme nervousness; perhaps it is due to a feeling of weakness or even to U.S.-phobia [kong mei zheng 1858 5019 4017].

### **United States and Canada**

#### **PRC: Lake's Trip Said Halted Due to Generals' Opposition**

*HK2207043896 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 21 Jul 96 p 5*

[By staff reporters]

[PTS Transcribed Text for FBIS] Opposition from top Chinese generals resulted in the sudden cancellation of the visit to Shanghai this month by U.S. National Security Adviser Anthony Lake.

Diplomatic sources said yesterday the episode illustrated the continuing differences between the People's Liberation Army (PLA) top brass and President Jiang Zemin, who had extended the invitation to Mr Lake.

The official reason given for the cancellation was the "bad weather conditions" in Shanghai.

Mr Lake was to have held talks with Wang Daohan, the former Shanghai mayor and the head of the semiofficial Association for Relations Across the Taiwan Strait. Apart from being Mr Jiang's personal adviser on Taiwan affairs, Mr Wang is regarded as the main patron of the so-called Shanghai Faction in Chinese politics.



"The generals told the Politburo Standing Committee that letting Lake see Wang would amount to American interference in the domestic politics of China," a Western diplomat said this week.

Beijing has consistently regarded all aspects of Taiwan affairs as domestic concerns that brook no foreign intervention. And Mr Wang seldom sees foreign dignitaries in his capacity as head of the association.

"The generals had the support of a few Politburo members," the diplomat said.

"Jiang was forced to cancel the visit almost at the last minute. It was quite an embarrassment."

It is understood that the reason given was the health of Mr Wang.

Some military officers have also criticised Mr Jiang, the putative head of the PLA, for granting too many concessions to the United States in return for a possible state visit to Washington next year.

Mr Jiang's personal office has recently orchestrated two events to play up his military clout.

Last Friday, the Chairman of the Central Military Commission watched a special performance by air force artists, entitled Singing the Praise of Spiritual Civilisation.

The national media said yesterday the performance showed the Air Force was eager to implement Mr Jiang's teachings.

Earlier, he met representatives of the paramilitary People's Armed Police.

#### PRC: Clinton Forced To 'Compromise' on Helms-Burton Law

OW1907140096 Beijing XINHUA Domestic Service  
in Chinese 1344 GMT 18 Jul 96

["International jottings" by XINHUA reporter Zhou Xisheng (0719 6932 3932): "No Alternative But Compromise"]

[FBIS Translated Text] Washington, 17 Jul (XINHUA) — U.S. President Clinton issued a statement on the 16th to announce his decision to put a six-month hold on the implementation of Title III of the Helms-Burton Law, which is aimed at applying stronger sanctions against Cuba, until early next year, thus averting for the time being an imminent diplomatic, economic and trade, and legal battle between the United States and its trading partners, such as the European Union, Canada, and Mexico. The press here generally considered that the U.S. side has no alternative but to make such a compromise.

Title III is the thorniest part of the Helms-Burton Law. The provision stipulated that if foreign companies buy, occupy, or transfer property confiscated by the Cuban Government after the Cuban revolution or gain profits by making use of the property, owners of the property can file lawsuits against them with U.S. courts to ask for compensation. Today, at a time when the world is about to enter the 21st century, the attempt which the United States was trying to make, for the sake of its own interests and needs, to enforce such a legal provision clearly marked by its "extraterritorial" nature evoked condemnation and objection from many of the countries in the world.

However, the United States was surprised and furious at the fact that amid the wave of protest, the voice of EU countries, Canada, and Mexico was the strongest. In the face of the United States' hegemonic move, these countries displayed an exceptionally strong stand and solidarity to safeguard their own rights and interests and dignity. The message of these countries was very clear: If the U.S. Government did not listen to their advice and insisted on implementing the Helms-Burton Law, they would take "retaliatory actions" against it, either by collaborative or individual efforts, including freezing huge amounts of U.S. assets in banks, imposing restrictions or putting a ban on relevant U.S. company personnel who want to enter these countries, and allowing local firms to sue the U.S. Government or relevant U.S. companies. If so, the troubles, conflicts, and legal disputes caused will be immeasurable. Hence, the press in Washington issued a serious warning to the Clinton Administration: After all, neither the United States nor foreign companies will benefit from the Helms-Burton Law. Even high-ranking White House officials admitted in public that if the Helms-Burton Law is really put into effect, it cannot but trigger a "vicious cycle of retaliation and counter-retaliation." This is perhaps the main reason why Clinton and his senior advisers were forced to postpone the implementation of Title III of the Helms-Burton Law after weighing the pros and cons.

As for the compromise made by Clinton, the European Union, Canada, and Mexico mostly welcomed it with prudence because they were very clear that Clinton only decided to suspend the implementation of the relevant provision of the law, but he did not abolish it in accordance with international public opinions, even though the law "did not have a moral and just ground." People notice that the White House is still uncompromisingly asking these countries to cooperate more closely with the United States in promoting the so-called "democratic process in Cuba". The Clinton Administration threatened to formally and fully implement the Helms-Burton Law if companies from the European Union, Canada,

and Mexico do not work in line with the U.S. strategy of further isolating Cuba in the next six months. Some of the newspaper commentaries here pointed out that this was ridiculous, as if the United States "is holding them at gunpoint to ask for cooperation".

According to reports from the other side of the Atlantic and the United States' northern and southern neighbors, the European Union, Canada, and Mexico have no illusion about the United States' momentary compromise, and they are vigorously taking countermeasures to deal with the U.S. Government's "chain sanctions". It seems that the dispute triggered by the United States' arbitrariness is far from over. However, the development of events so far has shown to the world that the era in which the United States acted at its own will in international affairs is over!

### Northeast Asia

#### PRC: Jiang Zemin Meets With ROK CHUNGANG ILBO President 17 Jul

OW2207021496 Beijing XINHUA Domestic Service in Chinese 1013 GMT 17 Jul 96

[FBIS Translated Text] Beijing, Jul 17 (XINHUA) — Chinese President Jiang Zemin met with Hong Sok-hyon, president of CHUNGANG ILBO of the Republic of Korea, and his party, in the Great Hall of the People here today.

Jiang Zemin had a friendly conversation with the ROK guests and answered their questions.

Present at the meeting was Guo Chaoren, president of the XINHUA News Agency, which is hosting the visit of Hong Sok-hyon and his party.

#### PRC: CPPCC Vice Chairman Meets Japanese Friendship Delegation

OW1907123396 Beijing XINHUA in English 1200 GMT 19 Jul 96

[FBIS Transcribed Text] Beijing, July 19 (XINHUA) — Wang Zhaoguo, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], met with the Soka Gakkai Japan-China Youth Friendship Delegation here today.

Wang appreciated the consistent efforts that the Soka Gakkai has made in developing Sino-Japanese friendly relations and reinforcing mutual understanding and trust between the two peoples.

He expressed the hope that the youth of the two countries would work together for the healthy and stable development of friendship between the two nations, based on a correct attitude towards history, thus laying

a solid foundation for a long-lasting friendship between the two countries.

The delegation, headed by Nomoto Hiroshi, and with Mitsugi Tishiyuki as its advisor, is in Beijing at the invitation of the All-China Youth Federation.

### Southeast Asia & Pacific

#### PRC: Jiang Zemin, Vietnamese Army Chief Hold Talks 19 Jul

OW1907125096 Beijing XINHUA in English 1147 GMT 19 Jul 96

[FBIS Transcribed Text] Beijing, July 19 (XINHUA) — Chinese President Jiang Zemin today met with a senior Vietnamese military delegation, headed by Pham Van Tra, chief of the general staff of the Vietnam People's Army.

Jiang, also general secretary of the Chinese Communist Party Central Committee, and chairman of China's Central Military Commission, said relations between China and Vietnam, and between the armed forces of the two countries, have developed greatly since the normalization of Sino-Vietnamese ties.

Jiang noted that the relations between the two armed forces constituted an important part of Sino-Vietnamese relations, adding that he hopes the two armed forces will enhance their friendly exchanges and cooperation.

The development of the Sino-Vietnamese good neighborly cooperation is conducive not only to the construction and development of both countries, but also to the peace and stability in the region and in Asia as a whole, the Chinese leader added.

Pham said the purpose of his visit to Beijing was to promote relations between the armed forces of the two countries to make a greater contribution to peace and development in the region.

He also thanked China for supporting Vietnam in the past.

Pham, also a member of the Political Bureau of the Vietnamese Communist Party Central Committee, briefed Jiang on the recent Eighth National Congress of the Vietnamese Communist Party.

Jiang congratulated Pham on the success of the congress, saying that it was an "important event in the political life of the Vietnamese people."

Jiang noted that the guidelines and goals set forth at the congress will encourage the Vietnamese people to make progress in their country's renovation and socialist construction.



At the meeting, Pham conveyed to President Jiang regards from Do Muoi, general secretary of the Vietnamese Communist Party Central Committee. Jiang asked Pham to convey his regards to Do Muoi and President Le Duc Anh.

Earlier this afternoon, Chi Haotian, Vice-chairman of China's Central Military Commission, State Councilor and defense minister, also met Pham and his delegation.

The two military leaders agreed to promote the development of relations between armed forces of the two countries to help the development of state-to-state relations.

**PRC: Qian Qichen, Fijian Minister Set Tone for Improving Ties**

*OW1907163696 Beijing XINHUA in English  
1625 GMT 19 Jul 96*

[FBIS Transcribed Text] Suva, Fiji, July 19 (XINHUA) — Visiting Chinese Vice Premier and Foreign Minister Qian Qichen said today that there are favorable factors for the further development of friendly cooperation between China and Fiji.

Qian, who arrived here Thursday [18 July] for a two-day visit to Fiji, told his Fijian counterpart Filipe Bole that the two countries have much in common although they differ enormously in terms of area and population.

Both China and Fiji belong to the developing world and both are preoccupied with boosting their economies and raising the living standard of their peoples, Qian said, according to Chinese Foreign Ministry spokesman Shen Guofang, who briefed reporters about the talks between the two foreign ministers here today.

Fiji is a full member of the South Pacific Forum (SPF) while China a full dialogue partner of the forum, Qian said.

In a broader sense, it can be said that both China and Fiji, which lies at the heart of the Southwest Pacific, are situated in the Asia-Pacific, a region which enjoys a relatively stable political situation and the fastest growing economy in the world, he said.

There are the sound basis and favorable conditions for the further development of friendly cooperation between the two countries, Qian said.

Recent years have seen a big rise in trade between the two countries and Fiji is now among China's biggest trading partners in the South Pacific region, he said.

He said bilateral economic cooperation is expanding, including that in culture, education and aviation. There are greater potentials for cooperation in trade and economy, Qian added.

Bole agreed that potentials remain to be tapped in trade, adding that greater strides could be made in cooperation in ship-building, aviation, construction and some other areas.

The Fijians are beginning to benefit from some projects of economic assistance provided by China, Bole said.

Bole stressed that there will be no change whatever in the Fijian government's one China policy and that Taiwan is an inalienable part of China.

Qian expressed appreciation for the Fijian government's position on Taiwan.

Following the talks, the two ministers signed an exchange of notes on China providing assistance to Fiji.

On the same day, the Chinese foreign minister also met with Ieremia Tabai, secretary general of the South Pacific Forum.

Expressing satisfaction with the relationship between the SPF members and China, Tabai said there has been very good dialogue between them.

The idea of setting up a SPF trade office in Beijing has received a positive response from China, he said.

The establishment of such an office in China will help promote trade and cooperation between the two sides, he said.

Qian said the SPF is playing a great role in enhancing regional cooperation, promoting peace and stability in the South Pacific and developing regional economy.

He expressed the hope that there will be increased mutually beneficial cooperation between China and the SPF.

China welcomes the establishment of a SPF trade office in China, Qian said.

After the meeting, Qian and Tabai signed an exchange of notes on China providing assistance to the SPF secretariat.

**PRC: Qian Qichen Says Beijing Supports Mekong River Development**

*OW2207131696 Beijing XINHUA in English  
1233 GMT 22 Jul 96*

[FBIS Transcribed Text] Jakarta, July 22 (XINHUA) — Chinese Vice Premier and Foreign Minister Qian Qichen said today that China supports the exploitation of Mekong River which will benefit the economic development in the region.

During his meeting with Laotian Foreign Minister Somsavat Lengsavat at the Hilton Hotel here, Qian said



the conditions for Sino-Lao cooperation are very good as the two countries share a common border and the exchanges in the border areas are very active.

Lengsavat said the development of the bilateral relations between Laos and China is going on very well. The Laotian side has set up a joint committee for Laos-China economic and trade relations, and it will send delegations to China to seek ways for economic and trade cooperation.

The Laotian minister also thanked China for its positive attitude towards the development of Mekong River. He hoped Laos and China will continue to strengthen their cooperation.

Qian spoke highly of Laos' active participation in the intentional affairs.

**PRC: Qian Qichen, Alatas Discuss Bilateral, Regional Issues**

*OW2207130996 Beijing XINHUA in English  
1154 GMT 22 Jul 96*

[FBIS Transcribed Text] Jakarta, July 22 (XINHUA) — Chinese Vice Premier and Foreign Minister Qian Qichen said here today that the relations between China and the Association of Southeast Asian Nations (ASEAN) have developed into a new stage as China is now ASEAN's new dialogue partner.

Qian made the remarks when meeting with Indonesian Foreign Minister Ali Alatas here this afternoon.

He appreciated Indonesia's positive role in upgrading China's status from an observer to a dialogue partner of the ASEAN.

The Chinese vice premier believed that with the status' upgrade, the relations between China and the ASEAN member countries in various fields will be developed in an all-round way.

On bilateral relations, Qian told his Indonesian counterpart that cooperation between China and Indonesia in various fields has increased steadily since the restoration of the diplomatic relations between the two countries in 1990.

He also appreciated the efforts made by the Indonesian government in developing the friendly Sino-Indonesian relations and Indonesia's support for China on international issues.

Alatas told Qian that "the developing countries have their advantages, but some people want to weaken these advantages." Therefore, he said Indonesia and China should strengthen their cooperation and support each other in international affairs.

The two ministers shared the view that the ASEAN Regional Forum should discuss the security cooperation and encourage development of normal relationship among countries in the region.

On the issue of South China Sea, both foreign ministers believed that dialogue is the best way to resolve disputes.

They also believed that there are no disputes between the two countries on the issue of South China Sea.

Qian, who arrived here Sunday, is attending the Third ASEAN Regional Forum on Tuesday and meetings between ASEAN and its Dialogue Partners on Wednesday and Thursday.

**PRC: Vice Foreign Minister on Cooperation with ASEAN**

*OW2107110096 Beijing XINHUA in English  
0729 GMT 21 Jul 96*

[FBIS Transcribed Text] Beijing, July 21 (XINHUA) — Chinese Vice-Foreign Minister Tang Jiaxuan said here today that China will, as always, continue to work for the development of long-term friendship and mutually beneficial co-operation with ASEAN.

During an interview with the "People's Daily" and XINHUA today, Tang said that the establishment of full dialogue partnership between China and ASEAN has provided the China-ASEAN relations with a new opportunity for development.

The Vice-Foreign Minister noted that it is an important part of China's foreign policy to develop long-term good-neighborliness and cooperation with all the ASEAN countries.

The recent years have witnessed an all-round development in terms of the relations between China and ASEAN, with frequent exchange of visits by high-level officials.

Chinese foreign minister has attended the annual ASEAN Foreign Ministers Conference since 1991, conducting fruitful consultations with his counterparts of the ASEAN countries, Tang noted.

According to Tang, the Sino-ASEAN joint committees on economy and trade, and on science and technology, were established in 1994. One year later, a high-official political consultation system at the vice-ministerial level was set up. Exchanges of visits at various levels between the two sides have been also on the rise, he added.

Meanwhile, he continued, the two sides have consistently strengthened coordination in international and regional organizations, such as APEC, the ASEAN Regional Forum and the Asia-Europe Meeting, in a bid to

safeguard the common interests of the developing countries in Asia.

Moreover, Tang noted, the trade volume between China and ASEAN countries in recent years has seen an annual increase rate of 20 per cent. Last year, the two-way trade volume approached 20 billion U.S. dollars, representing a rise of 41.8 per cent over 1994 and making ASEAN China's sixth largest trade partner.

The two sides have cooperated effectively in finance, project contracting and labor service, he noted.

Tang stressed that as developing countries in Asia, China and the ASEAN countries share a wide range of common understanding and interests.

"The Chinese government will, as always, commit itself to the long-term friendship and mutually beneficial cooperation with ASEAN countries," Tang said.

He added that politically, China will maintain the momentum of high-level exchange of visits to enhance mutual understanding and trust. Economically, China will explore new ways and means of cooperation.

"Through the joint efforts of China and ASEAN countries, I believe, a partnership of good-neighborliness and trust and oriented to the 21st century will certainly be established," the Chinese Vice-Foreign Minister said.

**PRC: Cambodia's Second Prime Minister Visits Zhuhai**

*OW2107143896 Beijing XINHUA in English*  
*1341 GMT 21 Jul 96*

[FBIS Transcribed Text] Zhuhai, July 21 (XINHUA) — Cambodia's Second Prime Minister Hun Sen ended today his two-day visit in Zhuhai, one of the five special economic zones in south China's Guangdong Province, and left for Shenzhen to continue his China tour.

During his stay in Zhuhai, Hun met with Zhuhai mayor Huang Longyun and visited the Huafeng Group, a local fast noodle producing company, and Zhuhai Airport.

Hun arrived here Saturday following his visit to Beijing.

**PRC: Cambodia's Second Prime Minister Continues China Tour**

*OW2007075496 Beijing XINHUA in English*  
*0744 GMT 20 Jul 96*

[FBIS Transcribed Text] Beijing, July 20 (XINHUA) — Cambodia's Second Prime Minister Hun Sen left here this afternoon for Zhuhai, one of China's special economic zones in Guangdong Province, to continue his China tour.

During Hun's stay in Beijing, Chinese President Jiang Zemin and Premier Li Peng met with him on separate

occasions, and they exchanged views on strengthening bilateral relations and other issues of common concern.

Hun arrived here Thursday for a five-day working visit to China as guest of the Chinese government.

**Near East & South Asia**

**PRC: Military Goodwill Delegation Visits India 3-10 Jul**

*OW1407095196 Beijing XINHUA Domestic Service*  
*in Chinese 1110 GMT 10 Jul 96*

[Names of Indian military officials are transliterated]

[FBIS Translated Text] New Delhi, 10 Jul (XINHUA) — A goodwill delegation of the Chinese People's Liberation Army led by General Zhang Taiheng, commander of the Jinan Military Region, visited India from 3 to 10 July.

General Joduli, chief of staff of the Indian Army, met with the delegation during its stay in India. He expressed the hope that India and China would maintain and develop the friendly relations between the two countries and militaries.

Vice Admiral Kohli, acting chief of staff of the Indian Navy; and Lieutenant General Osman, acting chief of staff of the Indian Air Force, also separately met and had friendly conversations with the delegation.

The delegation visited New Delhi, Agra, Pune, and Bombay, as well as a few military installations and academies.

**PRC: Kuwait Provides Loan for Irrigation Project**

*OW1207111096 Beijing XINHUA in English*  
*0949 GMT 12 Jul 96*

[FBIS Transcribed Text] Yinchuan, July 12 (XINHUA) — Kuwait will give a loan of 33.3 million U.S. dollars to China for the construction of a large irrigation project in northwest China's Ningxia Hui Autonomous Region.

This is the largest sum of investment provided by the government of Kuwait to China.

The loan will be used to build waterworks, a power supply system, and telecommunication facilities, and for the re-settlement of local residents.

The project will divert water from the Yellow River, China's second largest, to irrigate arid fields in Ningxia. Upon completion of the work in 2001, 133,000 ha of land will become irrigable and benefit about one million poverty-stricken people. The first phase of construction started in May.

A draft agreement on the loan was signed yesterday in Yinchuan, capital of Ningxia.

### East Europe

#### PRC: Vice President Rong Yiren Meets Bulgarian Parliament Leader

OW1707115396 Beijing XINHUA in English  
1126 GMT 17 Jul 96

[FBIS Transcribed Text] Beijing, July 17 (XINHUA) — Chinese Vice-President Rong Yiren met with a delegation from the Bulgarian National Assembly led by its chairman, Blagovest Sendov, in Beijing today.

Extending a welcome to the delegation, Rong said that the exchange of visits between China's National People's Congress and the Bulgarian National Assembly was very conducive to the development of friendly and cooperative relations between the two countries.

Rong said that China and Bulgaria enjoy a traditional friendship, adding that the relationship between the countries has been continuously developing on the basis of the Five Principles of Peaceful Coexistence, though tremendous changes have taken place in the international situation.

"China and Bulgaria are faced with the common task of developing national economies, and raising people's living standards. We hope that the two countries will strengthen cooperation and seek mutual development," Rong noted.

Sendov said that frequent parliamentary exchanges between Bulgaria and China during the past few years have greatly promoted the development of Sino-Bulgarian friendly relations.

Bulgaria attaches great importance to its relationship with China, noted Sendov, expressing the hope that this relationship will advance in an even more positive direction.

Sendov explained that although the Bulgarian National Assembly is composed of different political forces, with diverse political views, they share a common desire in developing Sino-Bulgarian relations.

Sendov stressed that the Bulgarian Government has consistently carried out the "one China" policy, and has all along believed that Tibet is one of the Chinese Autonomous Regions.

Rong expressed his appreciation for Bulgarian Government's adherence to the "one China" policy, its non-involvement in any official relations with Taiwan, and its "correct stand" on the Tibetan question.

Sendov went on to indicate his hope for strengthening exchanges and cooperation between the Bulgarian National Assembly and China's National People's Congress, saying that a delegation will be sent to the 96th Inter-Parliamentary Conference to be held in Beijing, which met Rong's warm welcome.

#### PRC: Liu Huaqiu Meets Slovenian Foreign Ministry Official

OW1807110896 Beijing XINHUA Hong Kong Service in Chinese 1012 GMT 17 Jul 96

[FBIS Translated Text] Beijing, 17 Jul (XINHUA) — Liu Huaqiu, director of the State Council's Office of Foreign Affairs, met Ignac Golob, Slovenian secretary of state for the ministry of foreign affairs, in Zhongnanhai this morning, and had a friendly conversation with him on bilateral relations and international issues of common interest.

Golob arrived in Beijing on 14 July to hold ministerial consultations with his Chinese counterpart. He held talks with Zhang Deguang, Chinese vice foreign minister, on 16 July.

### Latin America & Caribbean

#### PRC: Prime Minister Li Peng Meets Guyana Prime Minister Hinds

OW2207083096 Beijing XINHUA in English  
0743 GMT 22 Jul 96

[FBIS Transcribed Text] Beijing, July 22 (XINHUA) — Premier Li Peng said in Beijing today that exchanges and cooperation between China and Guyana have constantly developed, adding that he hopes Sino-Guyana relations will advance even further.

Li made the statement during a meeting with Samuel Hinds, prime minister of the Cooperative Republic of Guyana, and honorable president of the Guyana-China Friendship Society, who is currently leading a delegation of the society on a goodwill visit to China.

Extending a welcome to Hinds and his party, the Chinese Premier spoke highly of the positive efforts and contributions made by the Guyanese prime minister and Guyana-China Friendship Society to the development of friendship between the two peoples.

After briefing the guests on China's current situation, Li said, China and Guyana are both developing countries, and despite the long distances setting them apart, bilateral cooperation has developed constantly in various fields. He hopes further bilateral will ties be promoted.

Hinds said he was glad to again have the opportunity to visit China after his first visit in 1988, and to meet



the Premier. He praised China's economy, saying that it has enjoyed rapid growth, with achievements for the whole world to see. He also noted that China is playing a more and more important role in the world.

The Guyana prime minister expressed his sincere gratitude to the Chinese government and people for the support and aid given to his country, adding that he believes his current visit will enhance exchanges and friendship.

Hinds and his party arrived here Sunday for a 10-day friendly visit as guests of the Chinese People's Association for Friendship with Foreign Countries.

**PRC: Beijing To Promote Economic Cooperation With Brazil**

OW1707145396 Beijing XINHUA in English  
1441 GMT 17 Jul 96

[FBIS Transcribed Text] Beijing, July 17 (XINHUA) — Beijing Mayor Li Qiyang said here today that his city welcomes promotion of trade and economic cooperation with Brazilian businessmen.

Meeting with a Brazilian trade delegation headed by the governor of the Brasilia federal district, Cristovao Buarque, Li Qiyang said that Beijing and Brasilia are both developing cities that are becoming modernized.

Li said he hopes the extensive cooperation and exchanges between Beijing and other foreign cities will encourage its development.

Buarque said that many Brazilian industrialists are interested in establishing joint ventures in China, and he

expects Beijing and Brasilia to increase co-operation in culture, education and other areas, in addition to trade, the economy and urban construction.

In 1995, bilateral trade between Beijing and Brazil reached some five million U.S. dollars, and by the end of June this year, Brazilian businessmen had established 22 ventures in Beijing with 18 million U.S. dollars of contracted investment.

**PRC: Wei Jianxing Meets Brazilian Visitors**

OW1807145996 Beijing XINHUA in English  
1436 GMT 18 Jul 96

[FBIS Transcribed Text] Beijing, July 18 (XINHUA) — Wei Jianxing, secretary of the Chinese Communist Party's Beijing committee, met here today with visiting governor of the Brasilia federal district, Cristovao Buarque.

Wei, who is also member of the CPC central committee Politburo, said that there is a long and friendly connection between the Chinese and Brazilian people since diplomatic relations were established in 1974, and exchanges have been increasing in science, technology, culture and education.

He added that the Brazilians' visit will expand the exchanges between the two countries and the two cities.

Buarque said he appreciates China's great achievement in development, and he thinks that the Chinese people are capable of doing a good job in building a socialist country.

**Political & Social**

**PRC: President Jiang Zemin Interviewed 17 Jul**  
**SK2207033596 Seoul CHUNGANG ILBO in Korean**  
**22 Jul 96 pp 3-4**

[Interview with PRC President Jiang Zemin by CHUNGANG ILBO President Hong Sok-hyon at Fujian Hall of the Great Hall of the People in Beijing on 17 July—compiled by Beijing-based correspondent Mun Il-hyon]

[FBIS Translated Text] [Jiang Zemin] I am very pleased to meet you, President Hong. I hear you majored in electrical engineering and economics. It is very fortunate that you majored in these fields, both of which are considered very important worldwide today. I would like to listen to your views.

[Hong Sok-hyon] I would like to first express our gratitude to you, Mr. President, for granting us an interview despite your busy schedule. I am surprised at your thoughtfulness of being so informed about my personal history.

As you have just said, I majored in electrical engineering while in college, and then studied economics in the United States. After that I worked for the International Bank for Reconstruction and Development [IBRD]. Foresight had little to do with my choice of majors, but I certainly find them useful in present times.

Mr. President, I understand you also majored in engineering and served as minister of the electronics industry for years. I think this experience of yours must have contributed considerably to the high double-digit growth China has attained for four consecutive years.

The 24th of August is a significant day, marking the fourth anniversary of the establishment of diplomatic relations between the ROK and China. Mr. President, please tell us your views of the development of relations between the two countries so far.

[Jiang] The establishment of diplomatic relations between the two countries not only developed friendly relations, but it conforms to the fundamental interests of the peoples of the two countries and helps maintain peace and security in this region.

The leaders of the two countries have made a number of mutual visits and held talks over the last four years, frankly and seriously exchanging their views on issues of mutual interest, such as relations between the two countries and international issues. In so doing, they promoted mutual understanding and confidence and mutual relations. Exchanges and cooperation in various fields between the two countries are expanding rapidly, attaining marked success. Trade between the two countries last year totalled \$17 billion, a considerable amount.

We heartily wish for the stability of the situation on the Korean peninsula and hope that the relations between the two countries will develop further. We hope that both China and the ROK will make joint and continuous efforts so that the friendly relations between the two countries will continue in the 21st century as well.

[Hong] President Jiang, you have stressed many times the need to establish a mechanism for guaranteeing a permanent peace on the Korean peninsula. China is also a signatory to the Korean Armistice Agreement. In view of such a position of China, how do you assess the four-way peace talks proposed jointly by the ROK and the United States?

[Jiang] Half a century has passed since the Armistice Agreement on the Korean peninsula was signed. During this period the world situation has greatly changed.

Replacing the Armistice Agreement by establishing a mechanism for guaranteeing peace is not only conducive to guaranteeing a permanent peace on the Korean peninsula, but also is in accord with the basic interests of the people of both the North and the South of the peninsula.

China agrees to and supports this. We hope that countries concerned will reach an agreement on some issues related to the Korean peninsula and thus establish a peace-guarantee mechanism on the peninsula. Also, China hopes that the Korean peninsula will maintain peace and stability, and we hope we can play a constructive role in this.

[Hong] President Jiang, you have said on many occasions that you want a peaceful reunification of the Korean peninsula, and the ROK, too, thinks that a peaceful reunification of the Korean peninsula is difficult without China's participation. What role can China play in a peaceful reunification of the Korean peninsula? What form of reunification of the Korean peninsula do you think is most desirable? When and how do you think the reunification of the Korean peninsula can be achieved?

[Jiang] We fully understand the fervent desire of the people of both the North and the South of the Korean peninsula for national reunification. We hope both sides will gradually build trust and improve relations through dialogue and negotiations and eventually achieve the country's reunification by peaceful means.

China supports the active efforts that both North and South Korea are making to achieve reconciliation and the independent and peaceful reunification of the Korean peninsula.

[Hong] President Jiang, last year your visit to the ROK was very successful, and the Korean people were very happy about it.

[Jiang] During my visit to the ROK last November, I had beneficial talks with President Kim Yong-sam. Just like the old proverb, "There is nothing like seeing oneself," I visited Samsung Electronics, Hyundai Automobile, and a shipyard. I had forgotten the name of the shipbuilding yard and so I asked, "What was the name of the shipyard? Oh, that's right, it was Hyundai Shipyard." It received a very good impression of these places.

In particular, I was very surprised to learn that the aperture between the semiconductor circuits produced by Samsung Semiconductor was only 0.25 microns. When I served as electronics industry minister in 1983, I met Professor Miller [name as transliterated] of the United States, and when I asked him what the aperture between semiconductors circuits was, he said it was 0.5 microns. In 1994, when I served on the party Central Committee, I asked an official in charge of Intel what the aperture between semiconductors circuits was, and he said it was 0.25 microns. When I participated in events celebrating the 50th anniversary of the end of World War II at the United Nations in May of last year, the IBM chairman said: "I cannot definitely say what the trend of development for semiconductors is."

The philosopher Chuangtze, whom I like, said 2,000 years ago: "If an object is divided into 10,000 parts, and then divided again into 10,000 parts, there is no end."

During my high school days, my math teacher quoted Chuangtze's words while teaching differential and integral calculus. During that time, I learned the concept of "limit."

I served as electronics industry minister for a long period. Regrettably, I tried to develop our country's electronics industry, but it was not fulfilled according to my intention. Semiconductor technology has not yet developed, and thus China's electronics industry has not yet developed either.

[Hong] Is there not an epoch-making change taking place in the economics field?

[Jiang] Today, we are exerting our efforts to do away with various kinds of contradictions. One of the impressions I received during my visit to the ROK was that the government carried out attractive policy so that conglomerates could concentrate investment in a particular sector. On the other hand, in China, a specific product is not produced in large quantities professionally by a conglomerate, but instead is produced at various small-scale

plants. Thus, efficiency and productivity are lagging behind.

We are exerting efforts to solve this problem, and currently we are promoting two big changes. The first is to change from a planned economy to a market economy, and the second is to change the production method from an extensive type to an intensive type of production.

President Hong, you received a masters degree in electrical engineering and a doctorate in economics. After that you worked for the World Bank and also served as a professional manager of a conglomerate. I believe you are entrusted with an important position in running a newspaper company and will greatly contribute to developing relations between China and the ROK. In particular, what is regarded as important is that you can work energetically because you are still young.

[Hong] I think that one's age is important, but what is more important is to maintain one's health. It is known that you, President Jiang, will celebrate your 70th birthday soon. However, looking at you up close, you look 10 years younger. (At this, President Jiang smiled radiantly and expressed his gratitude in Korean by saying "thank you.")

I hope you maintain your health so that you can accomplish China's great goal of becoming the number one global economic power in the 21st century.

I would like to talk about some of your excellent views you gave on China's economy.

The ROK is a small country that has its unique policy, and I believe that China, which has a population of 1.2 billion people, has its own unique policy as well. However, I believe both countries have a lot to learn from each other.

After listening to your impressions after visiting Samsung Electronics and Hyundai Automobile, I would like to make a comment about this.

Samsung, Hyundai, and LG Electronics, which are participating in the semiconductor industry, are achieving actual results better than those achieved in Japan. To achieve success in the semiconductor industry, I believe several preconditions are necessary.

First, we have to have manpower with self-restraint. A Confucian culture regards the common goal of collectivism as more important than individualism. This is very important in producing semiconductors, which have to go through hundreds of work processes.



Second is the chopstick culture. The nations of the ROK, China, and Japan all use chopsticks. Their fingers, which are delicate, can produce minute products like semiconductors the size of 0.5 micron and 0.25 micron.

Third is the business spirit of establishing great industries such as the semiconductor and automobile industries. In connection with these two industries, the ROK Government played an important role, but what I think was more important was the business spirit in which the companies invested enormously, even running risks. (At this time President Jiang started to take notes.)

Personally, I am optimistic about China's economic development in the 21st century.

[Hong continues] The Confucian culture and chopstick culture the ROK has maintained; and the ethics of entrepreneurs that has developed the economy are also seen in China. The high economic growth you have achieved for the past seven to eight years by inheriting Mr. Deng Xiaoping's spirit of reform and opening up eloquently proves this. In particular, your policy of reform and opening up has drawn deep attention from advanced countries as well as developing countries.

For a big country, like China, which is able to enjoy self-sufficiency, it is not easy to adventurously choose the road of opening up.

Here, I can take an example of North and South Korea. South Korea has a large population and is poor in resources while North Korea has a small population and is relatively abundant in resources, including minerals. So, North Korea started with relatively good conditions. North Korea had enjoyed superiority over South Korea in its economic development until the early 1970's.

Under the self-sufficient system under its planned economy, North Korea was able to achieve a rapid economic development to a certain degree; however, the its sustained development had to reach the limit.

To the contrary, in the mid-sixties, the ROK had to meet a situation under which an opening up was inevitable. Since then, the ROK has been making a fierce competition with foreign countries in the world's markets. As a result, the gaps in the economic level between North and South Korea are as you see today.

[Jiang] Let me recall the history of the world. I have visited many countries in Africa recently. China is one of the ancient civilized countries. However, China is backward due to the feudal system that continued for several thousand years.

During my recent visits to African countries, I witnessed many ancient buildings. Looking at them, I was deeply

impressed by their ancient architecture, which, without using cranes, could lift large and heavy stone pillars.

Compared with the Roman culture, Egyptian culture, Greek culture and Indian culture, the Confucian culture has maintained a sustained development.

As Mr. Hong mentioned, chopsticks are a very simple dining utensil. I believe that the Confucian culture has definitely had a great influence on Asia.

In an article contributed to a diplomatic magazine, entitled "Clash of Civilizations," a U.S. scholar said that none of the world countries can deny the influence of the Confucian culture.

Judging from the history of the rise and fall of the countries of the world, Asia is certain to regain its prosperous era.

After decades of exploration since the founding of New China, our country has attained miraculous development in its economy by dint of Comrade Deng Xiaoping's policy of reform and opening up. Comrade Deng's policy of reform and opening up assumed its concrete form as socialist market economy adopted at the 14th National People's Congress [NPC] in 1992.

Three-hundred years have passed since the capitalist theory was born in Britain. However, the work we are engaged in is to realize the market economy under the socialist system. That is, as Comrade Deng Xiaoping put it, socialism with Chinese characteristics. As you did, I studied the electronic mechanical engineering. At the same time, I studied the economic theories of Adam Smith, John Maynard Keynes, Paul Samuelson, and Milton Friedman. I met Mr. and Mrs. Friedman when I was in Shanghai, and met them again when I was working in Beijing. I also studied the Lucas [name as transliterated] Theory. However, on the overall, I think that the economy of a country should be combined with the specific conditions of the country.

[Hong] Some observers in some Western countries are of the opinion that the development of China may pose a threat to the world.

[Jiang] I think to the contrary. If China is not being developed, that will pose a threat to the world. The development of China will contribute to the stability of not only China but also Asia and the world as a whole.

Of the 1.2 billion Chinese people, 65 million people are still suffering from food and clothing problems. For a considerable period of time in the future, China will remain a developing country.

China will be able to become an economic power in the long run. However, even if China becomes an economic

power, it will not be a threat to the world. Rather, it will contribute to the stability of the world.

Yesterday, the 16th of July, we convened a meeting for environmental protection. The core of my emphasis is that China will have to give much attention to environmental protection. In fact, the major powers of the world today were the ringleaders of environmental contamination. We will develop the country with our own strength, but the advanced countries ought to give much assistance to the developing countries.

[Hong] With the coming 21st century, the people of the world are devoting great attention to the 15th CPC National Congress slated for next year. As general secretary of the party, please tell me about the goals pursued by the CPC to cope with the 21st century, reforms to be focused within the party, and changes expected in the party following the 15th party congress.

[Jiang] In accordance with the CPC Constitution, the party congress is held every five years. The sixth plenary session of the CPC Central Committee (slated for September) will decide on issues regarding the 15th CPC Congress to be held next year. We have five more years until the end of this century. During this period, our party should not only lead all the people to successfully accomplish the second-stage strategic goals for the country's modernization construction, but also establish a basic socialist market economic system to prepare the ground for achieving third-stage strategic goals.

Our party will adhere to the socialist theory of China's own style and the party's basic line advocated by Comrade Deng Xiaoping, so that China enters the 21st century filled with vitality and vigor while constantly developing the national economy and achieving political stability, unity, and overall social development.

At the same time, our party will further research important questions regarding state reform and development, as well as party building, to solve them properly.

I expect the 15th CPC Congress will provide a strong political and organizational guarantee for smoothly realizing the great blueprint of China for facing the 21st century and continuously pushing ahead with the socialist modernization work.

[Hong] Hong Kong will be returned to China in July 1997. How will China guarantee the practice of "one country, two systems?"

[Jiang] The Chinese Government will restore its sovereignty over Hong Kong on 1 July 1997, and Hong Kong will be a special administrative region under the direct control of the central government. The Chinese Gov-

ernment will firmly implement the "one country, two systems" advocated by Comrade Deng.

As an advanced self-governing locality, the Hong Kong Special Administrative Region will be governed directly by the residents of Hong Kong; there will be no change in Hong Kong's current social or economic systems, or in the ways of life there, and there will be no fundamental change in its law.

Hong Kong will also have the administrative management right and its own legislative and judicial power, as well as a court of final appeal. Not even one official will be dispatched to Hong Kong from the central government.

All these are specified by the endorsed basic law on special administrative regions, in the form of a law, and are supported by a broad range of Hong Kong residents. The preparatory work for a power shift and for the inception of special administrative region business is now proceeding as planned, without difficulty.

[Hong] How do you think the Chinese takeover of Hong Kong will affect the Asian region?

[Jiang] When China has restored its sovereignty over Hong Kong and Hong Kong has achieved a long-term prosperity and stability, this would very positively affect the development and stability of the Asian region. First of all, the settlement of the Hong Kong issue will help accelerate the settlement of the Taiwan issue for the reunification of China, eventually creating a favorable atmosphere for peace and stability in Asia and the Pacific region.

Second, by achieving the "one state, two systems" plan in Hong Kong, we will set an example of settling an issue posed by history in a peaceful, manner and this will eventually present new knowledge and many suggestions for settling international disputes in today's world.

In particular, thanks to the establishment of a special administrative region, Hong Kong would be better off in playing its role as a center of finance, trade, aviation, and transportation, and it will continue to perform its function as an important gateway and bridge linking China with Asian countries and with the rest of the world.

A Prosperous and stable "one China," including a prosperous and stabilized Hong Kong, will not only help the development and stability of the Asian region, but also significantly contribute to the peace and development of the world as a whole.



[Hong] No agreement has been reached in negotiating the Comprehensive Test Ban Treaty [CTBT]. What is China's position toward this?

Some circles note that India has refused to sign the CTBT and China has taken a hard-line stance toward the question of on-the-spot inspections. How do you assess this issue?

[Jiang] China is in favor of concluding the CTBT in the course of achieving thoroughgoing nuclear reductions. This is the reason China has actively supported and participated in the CTBT negotiations. China has also expressed its hope for making efforts along with all countries concerned to conclude the treaty this year.

China has shown positive flexibility over several vital questions and has contributed in its own way to efforts to help push ahead with the negotiations.

We hope the countries concerned would equally demonstrate flexibility in negotiating and would carry out this task in a positive and responsible manner so that the treaty will be concluded this year.

A treaty regarding nuclear inspections has to be fair and reasonable, and the nuclear inspections must be efficient, able to deter violations, and not detrimental to the rights and interests of member nations of the treaty. China's belief over the question of on-the-spot inspections is based precisely on this principle. Therefore, China's position is understood and favored by all countries concerned and will certainly be reflected in concluding the treaty. I would like to talk with you longer. However, time is limited. So, let's call it a day here. I am sorry.

[Hong] I have been amazed at your comment even on the Lucas [as transliterated] theory. I personally think that socialism and a market economy can be compatible with one another. This is because I think that the market economy is not an ideology but a natural law.

In conclusion, I wish China even greater development under your leadership, and I hope you will pay even deeper attention and make even greater efforts, so that peace and stability take root on the Korean peninsula. Thank you.

[Jiang] Kamsahamnida (in Korean) [Thank you]. (President Jiang got up from his seat and accompanied President Hong to the entrance, beginning to talk in English)

[Jiang] I appreciate your views. You are young, but you are great.

[Hong] I respect you. You really look good.

[Jiang] President Kim also looks very young. I know he jogs every morning, but I swim every day (making a swimming gesture).

[Hong] I think President Kim is one year younger than you. (President Jiang has come to the entrance and shaken hands with President Hong and everyone present at the interview, and has seen them off) (endall)

#### PRC: Jiang Zemin Speech on Environment

OW2207102796 Beijing XINHUA Domestic Service in Chinese 1232 GMT 18 Jul 96

["Comrade Jiang Zemin's speech at the Fourth National Meeting on Environmental Protection" — XINHUA headline]

[FBIS Translated Text] Beijing, 18 Jul (XINHUA) — Speech at the Fourth National Meeting on Environmental Protection by Jiang Zemin

(16 July 1996)

I just heard the speeches of several provincial leaders and what they said is quite right. Environmental protection is very important; it is a strategic matter of overall importance and it is vital for the country's long-term development. Comrades on the environmental protection front have worked hard and made great achievements in their work. I would like to take this opportunity to salute them!

Implementing a strategy of sustainable development will always be a top priority in our socialist modernization drive. The idea of sustainable development can be traced to environmental protection and it has become part of the overall strategy for economic and social development in many countries around the world. Economic growth should be taken into consideration along with population, the environment, and natural resources, with the goal of making good arrangements not only for current development, but also for coming generations; we must not waste resources or adopt a policy of "pollution first, improvement later," nor should we live on what our ancestors left us and deprive our descendants of the resources for survival.

China is a country with a large population and a limited supply of natural resources per capita; its science and technology are not yet well developed, and its economic and technical foundations are rather weak. Therefore, the task of protecting its ecosystem is arduous, and as a result, in the process of economic and social development, the country should endeavor to obtain high socioeconomic benefits and a well-preserved environment with less investment and lower consumption of resources. If we do not pay attention to protecting the



environment while carrying out development, and try to improve or restore the ecological environment after it is damaged, we would have to pay heavily, or may even sustain unrecoverable losses.

Taking China's reality into consideration, in implementing the strategy of achieving sustainable development, we should endeavor to properly carry out work in the following areas: First, we should economize on the use of water, land, energy, materials, grain, and other resources. Agriculture should be of a high-yield, good-quality, highly efficient, and low-energy-consumption form; the manufacturing industry should pay attention to improving quality, reducing consumption, and improving efficiency; the tertiary industry should develop in coordination with the primary and secondary industries. Second, we should continue to control our population growth and improve our population's overall quality. Third, the consumption pattern should be rational and conducive to environmental and resource protection. We must not practice high consumption, which is not in line with the level of our productive forces development and which wastes resources. Fourth, we should strengthen propaganda and education in environmental protection and enhance cadres and the masses' consciousness of protecting the ecological environment. Fifth, we should resolutely check and reverse the trend in some localities in which resources are being abused and the ecological environment is deteriorating.

Some comrades have ignored environmental protection, arguing that we should first develop the economy and that environmental protection can be put aside for the time being. This mentality is incorrect and harmful. One of the serious lessons we have learned from world development is that many economically developed countries took the path of seriously wasting resources and "pollution first, improvement later," causing serious damage to the world's resources and ecological environment. We must never take this path. Our economic and social development should be one that is built on a foundation of a rational industrial structure and coordination between economic and social development and the environment. Objective facts show that the higher economic growth rises based on blindly increasing investment scale and arbitrarily launching new projects, the more resources will be wasted, the more serious the environmental pollution and ecological damage, and the lower the sustaining ability of development will be. This is not desirable. I have stressed on many occasions that localities with appropriate conditions may develop faster. However, we must ensure that we do not waste resources and sacrifice the environment for accelerated development. In developing their economies, all localities should pay attention to improving economic quality and efficiency

and to improving their economic structures and should base economic development on a benign cycle of ecological environment. Only such development is healthy and sustainable.

Controlling population growth and protecting the ecological environment are the basic national policy that the whole party and people across the country must uphold for a long time. The Fifth Plenary Session of the 14th CPC Central Committee expressly called for effecting a fundamental shift in the economic structure and the mode of economic growth, and for implementing the strategy of vitalizing the country through promoting science and education and the strategy of achieving sustainable development. This has provided a reliable assurance for us to protect the ecological environment in the course of development.

Historical experience tells us that, to ensure environmental safety, we must control the total amount of discharged pollutants. Our average annual economic growth for the Ninth Five-Year Plan period is set at about 8 percent. The environmental protection target we have set is to strive to basically control by the year 2000 the trend in which environmental pollution and ecological damage are deteriorating, and to improve to some extent the environmental quality of some cities and localities. This is an arduous task, but we must endeavor to accomplish it. Currently, we must first improve environmental management in urban and rural areas. But the most fundamental factor is to rely on shifting the economic structure and the mode of economic growth. By organically integrating development speed with efficiency, we should reduce the amount of pollution discharged per unit GNP, as well as consumption of resources and ecology. Economic decisions have tremendous effects on the environment. Starting with macro management, we should develop a mechanism for making decisions, taking into consideration both environment and development. In formulating major economic and social development policies, in drawing up plans for exploiting important resources, and in deciding important projects, we must consider the pros and cons from the perspective of unifying development with environmental protection and propose applicable measures. Only by so doing can we fundamentally prevent environmental pollution and ecological damage. At the same time, all industries and trades and all social sectors should do more in environmental protection and management. We should work with one heart and one mind and in a down-to-earth manner to ensure that the target of controlling the total amount of discharged pollutants is achieved.

China has made relatively good progress in protecting the environment. We should affirm the results we have

achieved and, at the same time, should soberly see that currently the country's environmental situation is still quite grim. Urban environmental pollution continues to worsen and is spreading toward rural areas; the scope of ecological damage is expanding. We must realize that the essence of environmental protection is to protect productive forces. Work in this area should be further strengthened. Environmental awareness and quality are important indicators for measuring the civilization level of a country and its people. Currently, the environmental issue has implications for international politics, economy, trade, culture, and other fields. We are willing to make positive contributions to protecting the global environment; however, we cannot accept obligations that do not match China's development level. As a matter of course, developed countries should assume greater responsibility in this regard. We are resolutely against some developed countries' so-called "environmental protection diplomacy," which is aimed at interfering in other countries' internal affairs under the pretext of environmental protection. In opening wider to the outside world and attracting foreign investment, we must do a good job in environmental protection and improve the investment environment. Meanwhile, we must guard against some foreigners attempting to move projects that cause heavy pollution or "foreign garbage" to China. We must not allow local short-term interests to jeopardize overall national interests and the health of coming generations.

Environmental problems directly affect the masses' normal life and physical and mental health. The environment, if not properly protected, will affect the people's livelihood or even bring about diseases. We must redouble efforts in dealing with pollution problems already posing a serious threat to the normal life and physical and mental health of the masses. During the Ninth Five-Year Plan period we should selectively arrange some environmental control projects to solve outstanding environmental problems in key areas and river valleys and other localities, in order to ensure that the environmental quality of some cities and localities will improve to some extent.

Party committees and governments at all levels should place environmental protection high on their agendas. Every year they should hold environmental protection briefings and study and solve problems in a timely manner. This should become an established system. Effort should be made to create a good environment for law enforcement by environmental protection organizations and to establish a sound, effective environmental protection supervision and management system. Leading cadres should take the lead in abiding environmental protection laws and regulations and support environ-

mental protection organs in strictly enforcing the law. Party committees and government at all levels should ensure environmental protection is properly done for the sake of the overall, long-term interests of the Chinese nation. We should closely integrate the implementation of the strategy of vitalizing the country by promoting science and education and the strategy of achieving sustainable development. Solutions to many environmental protection problems relies on scientific and technological progress and on raising people's educational levels. Performance in environmental protection should be taken into consideration in the evaluation of administrative achievements of leading cadres at all levels. When the economy is developed and the environment properly protected, the people will be more pleased and become more supportive of party and government work.

Enterprises are an important force for environmental protection. All enterprises must abide by the laws, introduce advanced production methods, and build a good image for themselves. The broad masses of cadres and people must heighten their awareness of the environment, actively participate in environmental protection. We must also bring into full play the role of propaganda, education, and supervision by public opinion. We believe that, as long as the whole party and society show concern and support for environmental protection, our environmental protection work will have a bright future.

All in all, environmental protection is a lofty undertaking, an enterprise in which what we do today will determine our country's destiny for generations to come. It is honorable to commit ourselves to environmental protection. I hope that comrades of the environmental protection front will continue to work hard, do their work even better, and strive to gain greater achievements.

#### **PRC: Government, Four Provinces Fight Huaihe River Pollution**

*OW1907124896 Beijing XINHUA in English  
1119 GMT 19 Jul 96*

[FBIS Transcribed Text] Hefei, July 19 (XINHUA) — The central government and the four provinces along the Huaihe River, Anhui, Henan, Shandong and Jiangsu, are working together to fight pollution in the Huaihe River.

The State Council ordered that all the small paper mills in the river basin with a yearly output below 5,000 tons be closed by the end of June. It also mandated all sources of industrial pollution in the river basin must meet state standards within the next year, and that the Huaihe River must be completely cleaned by the year 2000.



In order to clean the water effectively, Anhui Province developed a system of goals and responsibilities that must be strictly followed.

Henan Province has established various channels to provide funding for the clean-up efforts. Special funds have also been established in Shandong and Jiangsu provinces.

Shenqiu County of Henan Province, six small paper mills were forced to close, and their directors were arrested for not following state orders.

By the end of June, 999 small paper mills had been closed, it was reported.

Although initial achievements have been made to eliminate pollution, problems still remain.

Local enforcement of anti-pollution mandates is still a challenge for those involved in clean-up efforts. Reports say that in Tongshan County of Jiangsu Province, some small paper mills are now increasing their pollution and have not yet closed.

Problems are also found along the borders of provinces because of the lack of coordination among organizations.

Some small paper mills pretend to be closed while their machines continue to operate.

The lack of appropriate technology is still a problem in dealing with the river pollution. In Yingshang County of Anhui Province, the director of a paper mill said that after visiting many research institutes, he still could not find the adequate techniques for his mill to use to thoroughly clean the polluted water.

**PRC: Jiang Zemin Watches Air Force Stage Performance 19 Jul**

OW1907155796 Beijing XINHUA in English  
1548 GMT 19 Jul 96

[FBIS Transcribed Text] Beijing, July 19 (XINHUA) — President Jiang Zemin, who is also chairman of the Central Military Commission, watched a performance here tonight by the People's Liberation Army's air force artists.

The show was titled "Singing the Praise of Spiritual Civilization", and was intended to show achievements of the Air Force in improving the spiritual lives and moral standards of its officers and men.

It also reflected the Air Force's resolve to building a better society under the leadership of the Chinese Communist Party Central Committee and the Central Military Commission with Jiang as their core.

At the end of the performance, Jiang shook hands with members of the troupe of artists and congratulated them on their excellent performance.

Among those Present on the occasion were other PLA heads, including Liu Huaqing, Zhang Zhen, Zhang Wanning, Chi Haotian, all vice-chairmen of the Central Military Commission.

**PRC: Report on Leaders' Activities 11-18 Jul**  
OW1907064096

[FBIS Editorial Report] PRC media monitored by Okinawa Bureau from 11 July to 18 July carried the following reports on PRC central leadership activities. The source is noted in parentheses after each report.

**Hu Jintao Attends Central Party School Summer Graduation** — The CPC Central Party School held a summer graduation ceremony on the morning of 12 July. Hu Jintao, member of the CPC Central Committee [CPCCC] Political Bureau Standing Committee, member of the CPCCC Secretariat, and president of the Central Party School, attended the ceremony and presented graduation certificates to the students. After the ceremony, Hu Jintao called on middle-aged and young cadres who will soon go back to their work positions. He told the cadres to deepen their understanding of and practice Jiang Zemin's important speech at the forum marking the 75th founding anniversary of the CPC. He also advised them to set high goals as well as correctly handle fame and gain and power and status. In addition, he told them to attach importance to party and people affairs in their work and contribute to achieving the magnificent goal in China's cross-century development. (Summary) (Beijing XINHUA Domestic Service in Chinese 1117 GMT 12 Jul 96)

**Peng Peiyun Says China Will Promote Iodine Salt Use** — While meeting with an international evaluation team on iodine deficiency, State Councilor Peng Peiyun said China will continue to promote iodine salt use throughout the country and crack down on illegal sales of non-iodine salt. The evaluation team gave a report to Peng Peiyun on China's achievements in preventing and treating iodine deficiency disease as well as forwarded suggestions for solving some existing problems. (Summary) (Beijing XINHUA Domestic Service in Chinese 1218 GMT 12 Jul 96)

**Li Tieying Opens Chinese Publications Fair** — An "Exhibition on Achievements of Chinese Publications" opened on 13 July at the Beijing Exhibition Hall. Forty-five groups from provinces, municipalities, central departments, and organizations of the People's Liberation Army (PLA) participated in the exhibition. Li Tieying,



Buhe, and Qian Weichang cut ribbon to open the exhibition. (Summary) (Beijing XINHUA Domestic Service in Chinese 0833 GMT 13 Jul 96)

**Qian Qichen Inscribes for Hong Kong Telephone Card Issue** — The Joint Committee for Promoting and Publicizing Hong Kong Basic Law held a ceremony in Hong Kong on 13 July to launch the issue of commemorative telephone cards on the Basic Law. Qian Qichen, vice premier and chairman of the Hong Kong Special Administrative Region Preparatory Committee, inscribed for the set of telephone cards. The inscriptions read: "Live and work in peace and contentment." (Summary) (Beijing XINHUA Domestic Service in Chinese 0851 GMT 13 Jul 96)

**Chi Haotian Attends Anniversary of Long March Victory** — Veteran Red Army soldiers, veteran generals, and well-known figures in Beijing gathered at the Great Hall of the People on 13 July to commemorate the 60th anniversary of the Long March victory by the Chinese Workers and Peasants' Red Army. Chi Haotian, Li Ximing, Wang Guangying, Buhe, and Qian Zhengying attended the gathering. (Summary) (Beijing XINHUA Domestic Service in Chinese 1321 GMT 13 Jul 96)

**Jiang Zemin, Qiao Shi, Liu Huaqing View Publication Fair** — CPC General Secretary and State President Jiang Zemin; Qiao Shi, member of the CPCCC Political Bureau Standing Committee and chairman of the National People's Congress [NPC]; and Liu Huaqing, member of the CPCCC Political Bureau Standing Committee and vice chairman of the Central Military Commission [CMC], visited the Beijing Exhibition Hall to view the "Exhibition on Achievements of Chinese Publications." After viewing the exhibition, Jiang Zemin said: I am very pleased to see this exhibition on the achievements of Chinese publications. The exhibition fully reflects the development and prosperity of China's publishing industry since reform and opening up. To satisfy the quest for knowledge by the vast number of cadres and people, particularly the younger generation, we must strive to publish more good books to create excellent study conditions and provide rich nourishment for the mind. As the younger generation is quick to accept new knowledge, publishers should filter unhealthy materials while introducing excellent products to them. This will enable them to mature in a healthy way, a major task which the entire society should be concerned with.

At the exhibition, Qiao Shi urged relevant departments to strengthen management and give priority to product quality. Liu Huaqing encouraged the PLA Publishing House to produce more good books. Zou Jiahua, Wei Jianxing, Lei Jieqiong, and Tomur Dawamat also

viewed the exhibition. (Summary) (Beijing XINHUA Domestic Service in Chinese 1606 GMT 15 Jul 96)

**Ding Guangen Attends CCTV Music Program** — Ding Guangen, member of the CPCCC Political Bureau, member of the CPCCC Secretariat, and head of the CPCCC Propaganda Department, attended the first live music broadcast program of the China Central Television Station [CCTV] on the evening of 12 July. The program is aimed at carrying forward national music and satisfying viewers' demand for high quality music. (Summary) (Beijing Central Television Program One Network in Mandarin 1100 GMT 13 Jul 96)

**Li Peng Telephones Chinese Olympic Team** — On the day before the Chinese Sports Delegation left for Atlanta, Premier Li Peng telephoned Wu Shaoyu, minister of the State Physical Culture and Sports Commission and head of the Chinese delegation, to bid farewell to the team. Li Peng expressed the hope that Chinese athletes will strive hard to create excellent results and win glory for the country. He said that it is the common wish of the motherland and people to win more gold medals. However, it should not become a burden for the team as China is still a developing nation. (Summary) (Beijing XINHUA Domestic Service in Chinese 2301 GMT 15 Jul 96)

**Peng Peiyun Attends Meeting on Rural Healthcare** — A meeting was held in Zhengzhou on 15 July to exchange experiences on rural healthcare services. State Councilor Peng Peiyun and Public Health Minister Chen Minzhang attended the meeting. (Summary) (Beijing XINHUA Domestic Service in Chinese 0740 GMT 16 Jul 96)

**Ding Guangen Visits Chinese Publication Fair** — Ding Guangen, member of the CPCCC Political Bureau, member of the CPCCC Secretariat, and head of the CPCCC Propaganda Department, visited the "Exhibition on Achievements of Chinese Publications" in Beijing. NPC Vice Chairman Wang Guangying also viewed the exhibition. (Summary) (Beijing XINHUA Domestic Service in Chinese 1528 GMT 16 Jul 96)

**Qiao Shi Visits Calligraphy Exhibition** — The first exhibition on the works of well-known contemporary calligraphers opened in Beijing on 15 July. NPC Chairman Qiao Shi and NPC vice chairmen Wang Guangying and Buhe visited the exhibition. (Summary) (Beijing Central Television Program One Network in Mandarin 1100 GMT 15 Jul 96)

**Zou Jiahua Inscribes for Information Project** — The construction of Shanghai's information port, a major cross-century project aimed at providing high-speed and

high-capacity transmission of information services, began on 15 July. Shanghai Mayor Xu Kuangdi spoke at a meeting held by the Shanghai municipal government to launch the project. Vice Premier Zou Jiahua's inscriptions, construct Shanghai's information port; promote new economic development, for the project were read at the meeting. (Summary) (Shanghai People's Radio Network in Mandarin 2300 15 Jul 96)

**Huang Ju Attends Meeting To Praise Cadre Wu Tianxiang** — A meeting was held in Shanghai on 17 July to report on advanced deeds of Hebei cadre Wu Tianxiang. Shanghai Municipal Party Secretary Huang Ju and Shanghai Mayor Xu Kuangdi attended the meeting. Huang Ju met with the report team before the meeting and praised Wu Tianxiang for his selfless contributions and services to the party, people, and government, and called on the others to emulate his fine style. (Summary) (Shanghai People's Radio Network in Mandarin 2300 17 Jul 96)

**Li Peng Meets Anhui Governor Hui Liangyu on Flood Prevention** — Premier Li Peng met with Anhui Governor Hui Liangyu on 16 July in Beijing to show his concern for flood situation in the province. After hearing a briefings by Hui Liangyu on flood prevention efforts, Li Peng said he kept himself informed daily on the province's flood situation; conveyed his sincere greetings to the vast number of cadres, people, and PLA troops involved in combating floods on the front line; and called on them to snatch a complete victory. (Summary) (Hefei Anhui People's Radio Network in Mandarin 1100 17 Jul 96)

**PRC: Paper Praises PRC-DPRK Friendship**

*HK1907091096 Beijing RENMIN RIBAO in Chinese  
15 Jul 96 p 6*

["Feature from Abroad" by DPRK-based reporter Zhang Youxin (1727 0645 2450): "Singing the Praises of Friendship With Songs and Poems"]

[PTS Translated Text for FBIS] Pyongyang 14 July (RENMIN RIBAO) — Chinese Ambassador Qiao Zonghuai to the Democratic People's Republic of Korea held a banquet at the Chinese embassy on the evening of 12 July, with the participation of the Chinese friendship delegation headed by State Councillor Luo Gan, and concurrently State Council secretary-general. Chinese and Korean friends happily got together to mark the 35th anniversary of the signing of the Treaty of Friendship and Mutual Assistance Between the PRC and the DPRK.

In the course of the banquet, renowned singer Dong Wenhua [5516 2429 5478], Chinese friendship delegation member, enthusiastically picked up the microphone

and sang in her beautiful voice, "Flower of Kim Chong-il," a very popular song in the DPRK today, and a song in the Korean film "Flower Girl."

Listening to her singing, Korean comrades were fascinated, while the Chinese comrades quietly appreciated her performance; warm applause broke out while she was still singing the last note, and one bouquet of flowers after another was presented to her. Dong Wenhua also sang with feeling some Chinese songs, including "Full Moon." She then recalled her visit to DPRK, and the encouraging words the late President Kim Il-sung said to her. She said, when the performance by Chinese artists concluded, President Kim Il-sung cordially praised her outstanding performance of "Full Moon." Therefore, she was especially thrilled when she sang the very song again that evening.

At that point, a tall, middle-age man stood up; he was none other than Liaoning Governor Wen Shizhen, Chinese friendship delegation member. While Dong Wenhua, the "lady from Liaoning" sang with such rich feeling, Governor Yan was deeply inspired, too; filled with poetic inspiration, he went straight up to the microphone, very poised and unrestrained, and read aloud his impromptu poem, with rising and falling of tones:

Why has she sung so well,

Why has she sung so sweet?

Because we drink water from the same river,

Being closely related as the lips and the teeth,

Our friendship has as long a history as the river;

Despite the constant change of events,

We share the same faith;

Sino-Korean friendship will forever stay...

**PRC: Shanghai Vice-Mayor Denies Writer Bai Hua Detained**

*HK1907054696 Hong Kong SOUTH CHINA  
MORNING POST in English 19 Jul 96 p 12*

[By Foo Choy Peng in Shanghai]

[PTS Transcribed Text for FBIS] A senior Shanghai leader has denied that writer Bai Hua — who disappeared about two months ago — has been detained by the authorities.

Vice-Mayor Zhao Qizheng said: "If this is a political issue, I will know about it. But as far as I know, that is not the case."



Mr Zhao suggested Bai's disappearance was probably due to his personal "lifestyle" rather than an arrest by the authorities.

"I am sure Bai will miss home and when he comes back, you may ask him where he has been," he said.

Bai became famous after he was singled out for attack by Deng Xiaoping for his script of the 1982 film *Bitter Love*.

The film allegedly questioned the idea of patriotism under the Communist Party.

Bai, 64, has not been seen in the city since the end of May, and some friends of the Shanghai Branch of the Writers' Association feared he might have been arrested by public security personnel.

But a diplomat who knows the writer suggested he had probably gone on one of his long trips with a friend.

**PRC: Song Ping Addresses Forum on Book's Publication**

*HK1907031496 Beijing RENMIN RIBAO in Chinese 28 Jun 96 p 4*

[Report by Zhang Yan (1728 0917) from Beijing on 27 June: "The Book 'Socialism With Chinese Characteristics and the CPC' Has Been Published; Song Ping Addresses Publication Forum Held in Beijing"]

[PTS Translated Text for FBIS] The Central Organization Department's Research Institute of Party Building and the Central Party School's Publishing House held a forum in Beijing today to mark the 75th anniversary of the CPC's founding and the publication of the book "Socialism with Chinese Characteristics and the CPC," at which Comrade Song Ping delivered a speech.

Comrade Song Ping wrote the title of the book—namely, "Socialism with Chinese Characteristics and the CPC"—and its preface was written by Zhang Qian-jing, head of the Central Organization Department. It is understood that the book has been published by the Central Party School's Publishing House and will be distributed across the country starting today. The book upholds the principle of integrating theory with practice, sums up the party's basic experience in leading the cause of building socialism with Chinese characteristics since reform and opening up, and answers certain questions of great concern to cadres and party members. It comprehensively and correctly expounds Deng Xiaoping's theory of building socialism with Chinese characteristics and the inheritance and development of Marxism-Leninism and Mao Zedong Thought. It also discusses the position and function of the party's leading core in the cause of building socialism with Chinese

characteristics. The book also studies how to strengthen and improve the party's leadership, correctly understand and handle social contradictions under the new situation, raise the levels of ruling and leadership, and intensify self-construction, among other questions. As the book has specific objectives with high ideological and political content, it is a good book for leading cadres at and above the county department level to read.

Comrade Song Ping said at the forum: The book "Socialism with Chinese Characteristics and the CPC" selects important topics and has a good content. Deng Xiaoping's theory of building socialism with Chinese characteristics is the CPC's scientific summary and action program for building socialism in China. To lead socialism with Chinese characteristics, the CPC must take Marxism-Leninism and Mao Zedong Thought as a theoretical basis for its guiding ideas. The CPC will be merely nominal and can no longer keep to the road of socialism if it abandons the guiding function of Marxism-Leninism and Mao Zedong Thought. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics carries on and develops Marxism-Leninism and Mao Zedong Thought under the new historical conditions. We should not take them separately or even think of them as conflicting with each other.

Song Ping pointed out: Our party has always attached importance to its ideological and political building and has proposed that party building proceed on an ideological basis. Recently, Comrade Jiang Zemin has repeatedly stressed that leading cadres must give emphasis to politics. The key to stressing politics lies in upholding the correct political orientation and political stand. Leading cadres must be sober-minded on political questions. To be politically clear-headed, it is necessary to have a solid theoretical basis. That means we must strengthen our theoretical study and grasp the basic position, viewpoint, and approach of Marxism. Only by doing so can we distinguish between right and wrong and consistently uphold the correct political orientation.

Attending the forum were Lu Feng, Gao Yang, Feng Xianzhi, Su Xing, Zhang Yunsheng, Yu Yunyao, Liu Zheng, Xie Hong, Zhou Yi, and 40 other comrades engaging in party building and its research in Beijing.

**PRC: Wang Zhaoguo on United Front Work Cadres Training**

*OW1907122896 Nanjing XINHUA RIBAO in Chinese 25 Jun 96 p 1*

[Unattributed news Report: "National Work Conference on Training United Front Work Cadres Held in Suzhou;



Wang Zhaoguo, Chen Huanyou, Cao Keming, and Yang Xiaotang address the meeting")

[FBIS Translated Text] A national work conference on training united front work cadres was held in Suzhou on 24 June. The aim of the meeting was to implement Comrade Jiang Zemin's important speech on "making efforts to build a high-quality cadre contingent"; to sum up and share experience of nonparty personages and on united front work cadre training; and to map out schedules for united front work cadre training programs and work related to socialist colleges nationwide. Wang Zhaoguo, vice chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC] and head of the CPC Central Committee United Front Work Department, addressed the meeting.

Training of the united front work cadres commenced following the establishment of socialist colleges after the founding of the PRC. Currently, other than the Central Socialist College, there are over 130 socialist colleges throughout the country that form an initial training network. Over 590,000 people have joined training courses organized by the United Front Work Department and socialist colleges, of whom over 330,000 are non-CPC member trainees.

Wang Zhaoguo said: One of the important ways in promoting and perfecting the CPC-led multiparty cooperation and political consultation system is to help various democratic parties and the federation of industry and commerce train their members through conscientious study of the united front basic theory and history of multiparty cooperation. Thorough understanding of the superiority of the system will provide them with a solid basis to perfect the system. It is hoped that study and training will help enhance their theoretical and policy level as well as their capability in participating in the administration and discussion of state affairs and democratic supervision, and that a nonparty cadre rank with both ability and political integrity capable of co-operating sincerely with the CPC will be established to provide strong organizational guarantee to its success.

Touching on socialist colleges, Wang Zhaoguo said: Socialist colleges are CPC-led political colleges with united front character, serving as "joint party schools" for democratic parties and personages without political affiliation. The proper running of socialist colleges bears important significance in implementing the principle of "long-term co-existence, mutual supervision, treating each other with all sincerity, and sharing each other's weal or woe"; in supporting democratic parties in improving themselves; in solidifying and promoting unity and cooperation between the CPC and various democratic parties, various nationalities, and non-

party personages; in maintaining political stability; and in pushing ahead reform, opening up, and socialist modernization. We must double our efforts to ensure success of socialist colleges as demanded by the party Central Committee.

Wang Zhaoguo pointed out that in building nonparty personages and united front work cadres, training of the latter is even more important. He demanded the united front work departments of party committees at various levels to step up the study on cadre training; strengthen liaison with the CPPCC committees at various levels, democratic parties, and federation of industry and commerce; to establish a sound cadre training system; and to step up supervision and inspection to ensure a successful training program.

Liu Yandong and Li Dek Su, both deputy heads of the CPC Central Committee United Front Work Department; Chen Huanyou and Cao Keming, respectively Jiangsu Provincial Party Committee secretary and deputy secretary; Vice Governor Yang Xiaotang, who is also a Standing Committee member of the Jiangsu Provincial Party Committee and secretary of Suzhou City Party Committee; and Zhao Jiebing, a committee member of the CPC Central Committee Organization Department, also attended and addressed the meeting.

On behalf of the provincial party committee and government, Chen Huanyou extended warm welcome to leaders of the CPC Central Committee United Front Work Department and responsible cadres of the united front work departments of fraternal provinces and municipalities, before briefing them on Jiangsu's economic and social development. He said, in the process of ensuring a successful reform, opening up, and modernization construction, Jiangsu has all along been attaching great importance to the united front work, with provincial party committee forging a close and cooperative relationship with various democratic parties, federation of industry and commerce, and personages without party affiliation. The provincial party committee will see to it that responsible persons of various democratic parties, federation of industry and commerce, and personages without political affiliation will be consulted or notified in advance before making such major policy decisions as economic development strategies, building spiritual civilization, and personnel appointments. They will also be invited to attend some important meetings and serve as special liaison personnel for party work style. Measures are also taken to place nonparty personages at leading government posts at county level and above, with specific provisions on their proportion and time limit. Meanwhile, efforts are being made to assist and support democratic parties and the federation of industry and commerce to improve themselves, including

creation of conditions and other practical moves to help them get started. These efforts have fully aroused enthusiasm of the nonparty personnel in working together to realize Jiangsu's Ninth Five-Year Plan and 2010 long-range goals.

**PRC: Peng Peiyun Calls for Improved Rural Medical Conditions**

*OW1907153296 Beijing XINHUA in English  
1459 GMT 19 Jul 96*

[FBIS Transcribed Text] Beijing, July 19 (XINHUA) — State Councillor Peng Peiyun said here today that medical care in rural regions must be improved and she encouraged farmers to put more investment into it.

Speaking at a national meeting on rural medical care, Peng said that the country will see that every Chinese has basic medical care by the year 2000, and that the key to achieving this is to provide adequate medical services for farmers, who account for 80 percent of the population.

When farmers go to see doctors, it's at their own cost, unlike many urbanities whose medical fees are covered by the state. Therefore, according to Peng, development of a co-operative medical system should be encouraged, one that requires farmers to help each other and invest money voluntarily in building rural medical facilities.

At present, only 10 percent of China's farmers are involved in the system, Peng pointed out.

**PRC: Final 'Personnel Market' Opens in Xian; Network Completed**

*OW1907022696 Beijing XINHUA in English  
0216 GMT 19 Jul 96*

[FBIS Transcribed Text] Xian, July 19 (XINHUA) — China's seventh and final personnel market has basically been built after a year's work and will open July 24 in Xian, marking the completion of the country's high-grade talent network.

The state-level regional agency in Xian follows those in Shanghai, Shenyang, Tianjin, Guangzhou, Chengdu, and Wuhan.

The personnel market will oversee the collection of personnel information, carry out personnel training, provide job opportunities, predict employment needs, and exchange talent and technology among different regions.

It was jointly sponsored by the Ministry of Personnel, the Shaanxi Provincial Government, and the Xian City Government.

The 3,265 square-meter market, located in the Industrial Exhibition Center of Shaanxi Province, is equipped with sophisticated computer systems and telecommunication facilities.

**PRC: Commentator Urges Improvements in Vocational Education**

*HK1907012596 Beijing RENMIN RIBAO in Chinese  
18 Jun 96 p 5*

[Commentator's Article]: "Open Up a New Situation in Vocational Education"

[PTS Translated Text for FBIS] China promulgated the "Law on Vocational Education" last month, which is an important milestone in the Chinese history of vocational education development. The State Education Commission, the State Economic and Trade Commission, and the Ministry of Labor jointly convened a national work conference on vocational education on 17 June. This will play a great role while having far-reaching effects in pushing the standardization and development of China's vocational education, creating a new situation in vocational education, improving the qualities of workers, and promoting the two basic changes in China's economy.

Over the past dozen or so years, China's vocational education has developed vigorously. During the Eighth Five-Year Plan alone, China's intermediate vocational schools sent 11 million-plus graduates to society. Workers who have gone through strict vocational training are an important reason for China's sustained high economic growth. There is still a great gap, however, between the present condition of China's vocational education and the demands of China's economic development. The scope of vocational education has not yet reached the necessary degree, and few workers have gone through stringent vocational training. Although vocational education is developing very fast, its foundation remains comparatively weak, and its general level as a whole is low. Vocational education is facing a series of major issues, such as improving its internal structure, reforming the system of running schools, strengthening the development of teachers, and ensuring the input of funds.

The creation of the new situation in vocational education is the duty of all of society. The Law on Vocational Education makes clear stipulations regarding the duty of the government, the enterprise, and society in carrying out vocational education. The primary issue is to make all of society fully see the important role of vocational education, earnestly carry out the law on vocational education, and resolve the important issue of reform and development in vocational education. Creating a new situation in vocational education is an important task in



carrying out the strategy of "renovating the country with science and technology," thus promoting the two basic changes of China's economy. The implementation of the strategy of "renovating the country with science and technology" and the realization of the two basic changes ultimately depend on the improvement of workers' qualities. Vocational skills and professional ethics are important qualities that a worker should have. The role of science, technology, and cultural knowledge in helping society will ultimately be realized through the workers' use of vocational skills in actual practice. If workers' vocational skills and professional ethics are low, then even if they possess developed science and technology skills, these can hardly be converted into a realistic productive force. This means that the economy would remain a labor-intensive one, while the socialist market economic structure could barely be developed. The experiences of economically advanced countries and the economically developed regions in China also testify to the important role of vocational education. If we study the conditions of these countries and regions, we will find that behind their developed economies, there always is a developed vocational educational system supporting them. This being the case, the development of vocational education is the inevitable road to the country becoming prosperous and powerful. With a clear picture of the important role of vocational education, it will be comparatively easier to resolve the difficulties and problems in developing vocational education.

Our party and country have attached great importance to developing vocational education. During the first year of the Eighth Five-Year Plan, the State Council promulgated the "Decision on Exerting Great Efforts To Develop Vocational Education." In 1993, the CPC Central Committee and the State Council set forth both short-term goals and a long-range plan for the development of vocational education in the "Program for Educational Reform and Development in China." In May this year, the "Law on Vocational Education" was promulgated, moving the development of China's vocational education into a new phase of running education according to the law. The attention and support of the party and the state are the basic guarantee for creating a new situation in vocational education. We believe, based on the requirements of the party and the state as well as the concerted efforts of all of society, that vocational education will certainly be further developed and will make important contributions to China's economic and social prosperity and development in the next century.

## Military & Public Security

### PRC: Jiangsu Military Leaders Attend Civil Air Defense Meeting

OW2107124396 Nanjing XINHUA RIBAO in Chinese  
5 Jul 96 p 1

[Report by Geng Lian (5105 5114): "Strive To Raise the Building of Civil Air Defense to a New Level"]

[FBIS Translated Text] The provincial meeting on civil air defense to sum up experiences during the "Eighth Five-Year Plan" period and make arrangements for work during the "Ninth Five-Year Plan" period was held in Nanjing yesterday. Leading persons of the province and the provincial military district attended the meeting, including Chen Huanyou, Zheng Silin, Ji Yunshi, Zheng Bingqing, Gao Dezheng, Sha Renlin, and Xu Minggao. He Qizong, deputy commander of the Nanjing Military Region; Ting Bingsheng, deputy chief of staff of the Nanjing Military Region; and Wang Jiamu, head of the civil air defense office of the Nanjing Military Region, also attended the meeting.

Zheng Bingqing, commander of the Jiangsu Provincial Military District, delivered an opening speech at the meeting. Governor Zheng Silin made an important speech. Zheng Silin said: During the period of the "Eighth Five-Year Plan" period, under the leadership of the provincial party committee, the provincial people's government and the provincial military district and with the care and guidance of civil air defense at the higher level, the provincial civil air defense departments have seriously implemented the principles and policies of the party Central Committee, the State Council and the Central Military Commission on civil air defense work. The provincial civil air defense departments have centered their work on the central task of economic construction, seized the opportune time to accelerate the development of various work, and achieved good results. They have made contributions to promoting economic construction and social development in the province. Zheng Zilin emphatically point out: During the "Ninth Five-Year Plan" period, various developments at all levels must continue to attach importance to and show concern for the work of civil air defense. Leaders at various levels must consider civil air defense as their own work, make efforts to promote the simultaneous development of economic construction and civil air defense, and actively promote the two fundamental shifts [in the economic system and the mode of economic growth]. Civil air defense work must closely rely on the progress of science and technology. We must make more investment in science and technology, strengthen scientific study, strive to employ new technologies to improve the management and raise



the quality and effectiveness of civil air defense facilities, and raise civil air defense work to a new level.

On behalf of the Nanjing Military Region, He Qizong congratulated the opening of the provincial meeting and made a speech. He said: During the "Ninth Five-Year Plan" period, civil air defense work in Jiangsu should continue to maintain its leading position in the whole military region or even in the whole country. We should achieve breakthroughs in engineering construction work, the use of underground areas in cities, the integration of air defense and disaster relief work, and preparations for air defense in local wars as well as in formulating policies and regulations related to civil air defense. He said: It is necessary to improve the building and structure of civil air defense organizations, apply scientific methods, and raise efficiency. Civil air defense departments at various levels should strengthen their own building and improve leadership and work style.

Ji Yunshi, executive vice governor, also spoke at the meeting on specific demands in regard to civil air defense work in the province. He said: Various departments and localities should continue to strengthen their leadership over civil air defense work, deepen reform of civil air defense work, achieve new breakthroughs in promoting the two fundamental shifts, improve the legal system as it relates to civil air defense work, and further strengthen its own building in a pioneering manner. Departments at various levels should closely coordinate with each other and create favorable conditions for civil air defense work.

During the session, mayors of various cities in charge of civil air defense work and leading members of various military subdistricts exchanged their work experience and visited an exhibition on achievements of the province in civil air defense work during the "Eighth Five-Year Plan" period and the provincial underground civil air defense command room for simulated operation.

**PRC: Beijing Secretary on 'Strike Hard' Struggle**  
SK2207063396 Beijing BEIJING RIBAO in Chinese  
11 Jul 96 p 1

[By reporter Xiao Wenhui (5135 7186 1979): "Persevere in Keeping 'Strike Hard' Principles and Momentum Unchanged"]

[FBIS Translated Text] On 10 July, Beijing Municipality held a rally on carrying on the "strike hard" struggle in an in-depth and persistent manner and on strengthening the comprehensive management of public security. Once again it made overall arrangements for the next stage of the "strike hard" struggle. Wei Jianxing, sec-

retary of the municipal party committee, emphasized that, in line with the central authorities' requirements and arrangements and Beijing's specific conditions, and following up on the achievements won in the previous stage, the "strike hard" struggle should be continued in the third quarter of this year, the "strike hard" principles and momentum should be kept unchanged, and more efforts should be made to intensify the struggle, so that the targets proposed by the central authorities will be attained.

Mayor Li Qiyuan presided over the rally. Attending were leaders from pertinent central departments and Beijing Municipality, including Chen Jiping, Li Dengzhu, Zhou Jingdong, Mu Xinsheng, Wu Shuangcheng, Wang Daming, and Li Zhijian.

Chen Guangwen, deputy secretary of the municipal party committee, relayed important central instructions on the "strike hard" struggle and the guidelines of the national conference on persistently carrying on the "strike hard" struggle and strengthening basic the grass-roots work for the comprehensive management of public security.

Qiang Wei, Standing Committee member of the municipal party committee and secretary of its Political and Legal Committee, summarized the results of the previous stage of Beijing's "strike hard" struggle, and he gave specific arrangements for the "strike hard" work for the third quarter. Since the central authorities made the important decision on taking unified action in the nationwide "strike hard" struggle, the municipal party committee and government have attached great importance to it and have promptly studied and made plans. Top leaders of party and government organs have personally taken command of the work and intensified publicity to mobilize the masses. Public security, procuratorial, and judicial departments have made all-out efforts, worked in cooperation, and dealt prompt and resolute blows to criminals with serious criminal offenses, thus winning good results. According to the important central instructions, the "strike hard" struggle should be intensified continuously in the third quarter of this year, and the masses mobilized to continue the special struggles to solve major cases, seize escaped criminals, and crack down on criminal gangs, so that criminal activities conducted in defiance of the law are dealt stern blows. Meanwhile, basic grass-roots work for the comprehensive management of public security should be greatly strengthened.

Wei Jianxing, secretary of the municipal party committee, spoke at the rally. He first fully affirmed Beijing's achievements in the previous stage of the "strike hard" struggle. He said: With a strong sense of political re-

sponsibility, party committees and governments at all levels in Beijing have conscientiously implemented the guidelines of the central instructions on the "strike hard" struggle, strengthened leadership, and made meticulous arrangements. Public security, procuratorial, and judicial departments have made concerted efforts with various departments and units to solve a number of major and serious cases that created very bad impacts, seize a number of escaped criminals, destroy a number of criminal gangs, and promptly and strictly punish according to the law a number of criminals who committed very serious crimes and incurred great popular indignation. In general, initial success has been won in the "strike hard" struggle. Meanwhile, we should clearly understand that despite the great achievements in the "strike hard" struggle, we still fall far short of central authorities' demands and people's expectations, the public security situation remains grim, and the "strike hard" tasks remain very arduous. As the nation's capital, Beijing should have higher standards and stricter demands on public security. Therefore, it is necessary to continue to intensify the "strike hard" struggle in the third quarter of this year to win still greater achievements.

Wei Jianxing pointed out: To intensify the "strike hard" struggle and win still greater achievements, the key is to make important breakthroughs in solving major cases. Aiming at solving more major cases, party and government leaders at all levels should fully mobilize and rely on the masses and apply scientific and technical means in an effective manner to tackle the most difficult problems, so that they can achieve breakthroughs. With regard to particularly serious cases, top leaders of party and government organs should pay attention and give guidance personally; and public security, procuratorial, and judicial departments should go all out to solve the cases. Aiming at solving major and serious cases, top leaders of party and government organs at all levels should seriously analyze the specific conditions of their localities, departments, and units, formulate specific work plans and arrangements for the "strike hard" struggle for the third quarter, and make sure that every level is responsible for implementing the plans and arrangements.

Wei Jianxing emphasized: We should regard mobilization of the masses as a key link to ensure that the "strike hard" struggle is carried out in depth. When mobilizing the masses extensively and intensively, we should give prominence to key areas, pay more attention to key localities, industries, and the personnel, find out new clues, and ferret out criminal elements. Leaders at all levels should go deep into the grass roots and weak links, such as neighborhood committees, schools, industrial and mining enterprises, government offices, towns

and townships, and village organizations, to carry out in-depth and meticulous propaganda work and mobilize the masses to fight criminals on their own accord.

Wei Jianxing said: The most basic way to achieve a lasting order and stability in society is to carry out comprehensive management, which is a long-term task. Taking advantage of the current "strike hard" struggle, we should improve basic work and systems to counter the conspicuous problems that have been exposed, implement various systems and measures to strengthen the responsibilities of party and government leaders at all levels, and open up a situation in which concerted efforts are made for comprehensive management of public security. We should make conscientious efforts to improve grass-roots organizations and mass crime-prevention organizations. We should also make efforts to address the current public security problems one by one. All localities and departments should clearly define both long-term targets and the demands to be met this year and specific standards and measures, so that inspection and evaluation can be conducted more easily.

Wei Jianxing pointed out: To intensify the "strike hard" struggle, we should strengthen party leadership and give full play to the functions of public security, procuratorial, and judicial departments and the role of public security, procuratorial, and judicial contingents as the major force. Seizing the opportunity presented by the "strike hard" struggle and complying with the requirements as put forward in the important speech given by General Secretary Jiang at the forum celebrating the 75th founding anniversary of the party, party committees at all levels should regard improvement of public security, procuratorial, and judicial cadres as an important aspect of the entire party's endeavor to build a high quality contingent of cadres, pay close attention to it, and carry it out successfully. We should train and assess cadres in the practice of the "strike hard" struggle and strive to cultivate high quality contingents of public security, procuratorial, and judicial cadres.

Chen Jiping, deputy secretary general of the Central Political and Legal Committee and director of the Central Committee for Comprehensive Management of Public Security, pointed out in his speech: In line with the central guidelines, we should mobilize the masses and carry out the "strike hard" struggle persistently. We should pay close attention to the implementation of all the measures for comprehensive management of public security, strictly apply the leadership responsibility system to the comprehensive management of the public security of the areas under one's administration, and strengthen the grass-roots basic work for public security. He urged comrades of the central organs stationed



in Beijing as well as Beijing's party and government organs at all levels to enhance confidence and coordinate with each other to make the third battle of the "strike hard" struggle successful.

Mayor Li Qiyang urged party and government leaders at all levels to seriously implement the central instructions and the guidelines of this rally, carefully organize the next-step "strike hard" work, and strive for new and greater achievements.

Also present at the rally were Ouyang Wenan, Duan Bingren, Li Yongan, Lu Yucheng, Meng Xuenong, Feng Mingwei, Shen Rendao, Chen Zhongyi, Chen Dabai, Zhang Lianyun, Wang Zhitai, Han Boping, Su Zhongxiang, Sheng Liangang, and Song Weiliang as well as people in charge of Beijing's various democratic parties, including Huang Shihua, Jin Tiekuan, Dong Zhiwei, Zhang Bingjie, Zhong Qicheng, and Fu Jiantang.

**PRC: Shanghai Launches Third-Stage of Crime Crackdown 18 Jul**

*OW2007133196 Shanghai People's Radio Network in Mandarin 2300 GMT 18 Jul 96*

[From the "990 Morning News" program]

[FBIS Translated Text] Shanghai's third-stage strike-hard struggle started 18 July. The Shanghai Municipal Committee for Comprehensive Management of Public Security held a meeting on 18 July to brief the participants on the guidelines of the national conference on continuing the strike-hard struggle in a sustained way, on improving all facets of public security, and on strengthening the foundation work at grass-roots units, and to make plans for launching the third stage of the strike-hard struggle in Shanghai.

The main objectives of the third-stage crime crackdown campaign in Shanghai are as follows: First, to achieve new progress and breakthroughs in cracking major criminal cases, capturing escaped criminals, and cracking down on criminal gangs; second, to satisfy various sectors of society by bringing about a marked improvement in public order; third, to effectively check the spread of social vices existing in some areas; and fourth, to enhance the masses' sense of safety by deflating the arrogance of criminal offenders.

**PRC: Qinghai Secretary Arranges Next Step in Anticrime Work**

*SK2107055496 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 20 Jul 96*

[FBIS Translated Text] The two-day provincial work conference on waging a strict struggle against crimes in a thorough and sustained manner and strengthening the

overall improvement of the social order ended in Xining on 19 July.

At the conference, the guidelines of the central and national related conferences were relayed, and the province's next step in the strict crackdown struggle and the work related to the overall improvement of the social order were arranged.

Yin Kesheng, secretary of the provincial party committee, gave an important speech at the conference. In his speech, he first fully affirmed and highly assessed the province's achievements in waging the preceding stage of the struggle and proposed specific requirements for improving the public order.

He pointed out: The key to achieving the struggle hinges on strictness. That is, in handling cases, procuratorial and security organs and courts should strictly enforce the law and realistically implement the policy on severely and rapidly punishing criminal offenders who seriously sabotage the public order. We should not only expand the dynamics of our attack, but also concentrate main forces to crack a number of major cases, seize escaped criminals, resolutely ferret out criminal gangs, and severely sentence a number of criminal offenders. Following the call for united action against serious crimes, we should coordinate a concentrated attack against [words indistinct] with a regular attack when the public order situation requires so that criminals will not act rashly and the people will eliminate their worries.

Yin Kesheng reaffirmed: We should strengthen leadership over the struggle. Party leaders should personally arrange, guide, and supervise the struggle.

He repeatedly stressed that the public security organs at various levels should fully trust and rely on the masses, vigorously strengthen the construction of grass-roots forces, rely on the masses to achieve the [word indistinct] related to the overall improvement of the social order, and upgrade grass-roots organizations' ability to safeguard public order.

Yin Kesheng urged that public security organs at various levels should further build their contingents and construct their organs in line with the struggle.

Provincial leaders Sang Jiejia, Yao Xiangcheng, Feng Mingang, Cai Dan, and Zhaxianjia were present at the conference.



**PRC: Heilongjiang Executes Bank Robber**  
*SK2107052996 Harbin HEILONGJIANG RIBAO*  
*in Chinese 3 Jul 96 p 4*

[By reporter Wang Caimin (3769 2088 3046)]

[FBIS Translated Excerpt] On 2 July, the Harbin City Intermediate People's Court held a rally to publicly pass a death sentence on Tong Dayou, who had robbed the savings bank under the Yagou Postal and "telecommunications Subbureau of Acheng city during the "severe crackdown" struggle, and to deprive him of his lifelong political rights. According to the order of the provincial Higher People's Court, after the rally Tong Dayou was escorted to the execution ground and was executed by firing squad. [passage omitted]

**PRC: Bank Robber Executed by Shooting in Hubei**  
*SK2207080496 Wuhan HUBEI RIBAO in Chinese*  
*11 Jul 96 p 1*

[By correspondent Zhang Jianhua (1728 7003 5478) and Zheng Lili (6774 5461 5461)]

[FBIS Translated Text] At 0900 on the morning of 10 July, Yang Haijun, who had the "bank warrior" Min Yulan injured, was executed by shooting at Huangtan Town of Tianmen city.

Yan Haijun came from Jingshan County. At around 1200 on 14 April 1996, criminal Yang brought a razor and robbed the Daqiao savings bank of the Huangtan Cooperative of Tianmen city. Found by clerk Min Yulan, Yang Haijun attacked Min Yulan with a brick and the razor. Min Yulan strongly resisted. While making his escape, Yang Haijun was captured by the people who came to the spot after hearing the noise.

**PRC: Two Murderers Executed in Ningxia**  
*SK2207090596 Yinchuan NINGXIA RIBAO*  
*in Chinese 3 Jul 96 p 3*

[By Correspondent Hao Fengling (6787 7635 3781)]

[FBIS Translated Excerpt] On the afternoon of 11 June, the Shizuishan City Intermediate People's Court held

the first trial to hear the region's major case in which a child was murdered on 11 January. Murderers Qiao Baoguo and Wang Xiaoping were sentenced to death in line with the law and were deprived of their political rights for life. [passage omitted]

Last January, Qiao Baoguo made a plot in collusion with Wang Xiaoping. Wang Xiaoping cheated Li Ziqiang, brother of Qiao Baoguo's wife, into coming to the bank of Huang He, pushed him into the river when he was off his guard and hit him on his head to death with a blunt implement.

While trying this case, the court also ascertained that from December 1995 to January 1996, Qiao Baoguo committed two theft crimes at Shizuishan Railway Station which involved more than 3,000 yuan. In 1993, he also ganged up with Jiang Guifeng and fled to Guangzhou to buy 6,000 yuan of counterfeit Renminbi and each took half of it. During last January and February, Wang Xiaoping ganged up with other people to commit six theft crimes which resulted in serious consequences. In October 1995, Wang Xiaoping also ganged up with other people to steal four sheep valued at 1,150 yuan.

After hearing their cases, the court held that the acts of defendant Qiao Baoguo constituted the crimes of intentional murder, trading and transporting counterfeit state currency and theft; the acts of defendant Wang Xiaoping also constituted the crimes of intentional murder, damaging communications facilities, and theft. The court decided to charge Defendant Qiao Baoguo for his various crimes, executed him, and deprived him of his political right for life; defendant Wang Xiaoping was also punished for his various crimes and was executed and deprived of his political right for life.

**General****PRC: Statistical Bureau Reports 9.8 Percent Growth Jan-Jun***OW1907034996 Beijing XINHUA in English  
0338 GMT 19 Jul 96*

[FBIS Transcribed Text] Beijing, July 19 (XINHUA) — China's macro economy has continued to develop steadily this year, and the national economy grew moderately amidst the steady fall of inflation, the State Statistical Bureau reported today.

According to estimations, the Gross Domestic Product (GDP) amounted to 2975.6 billion yuan in the first six months of this year, up 9.8 percent over the same 1995 period at constant prices.

The general social supply and demand has remained balanced on the whole, and the major macro-economic indexes are advancing towards the set target.

**PRC: Statistical Bureau Spokesman on Economy From Jan-Jun***OW1907071196 Beijing XINHUA in English  
0645 GMT 19 Jul 96*

[FBIS Transcribed Text] Beijing, July 19 (XINHUA) — China's macro economy has continued to develop steadily this year, and the national economy grew moderately amidst the steady fall of inflation, the spokesman for the State Statistical Bureau said today.

According to estimations, the Gross Domestic Product (GDP) amounted to 2975.6 billion yuan in the first six months of this year, up 9.8 percent over the same 1995 period at constant prices.

The general social supply and demand has remained balanced on the whole, and the major macro-economic indexes are advancing towards the set target, said Ye Zhen, spokesman for the bureau.

The retail price index in the first half of this year rose 7.1 percent over the same month in 1995, and the consumer price index went up by 9.2 percent, dropping by 11.4 percentage points and 11.9 percentage points, respectively.

The prices for such goods as family-use electric appliances, jewelry, and machinery and electric appliances in the first half of this year were lower than in the same period last year, while those for service items and farm production materials were 15.7 percent and 12.1 percent higher.

The retail sales of consumer goods in the first six months of this year totalled 1143.9 billion yuan, up 13.2 percent in real terms.

Marked increases were made in such popular market items as large-screen TV sets, imported video-cameras, automatic washing machines and other high-quality durables, as well as meat, alcoholic drinks and cosmetics.

China's investment in fixed assets was under control in the first half of this year and the investment mix had improved.

The investment in fixed assets at state-owned enterprises and other units in the first six months amounted to 670.8 billion yuan, up 18.6 percent over the same 1995 period.

The growth rate was 6.9 percentage points lower than that of last year, as the nation strengthened control over the investment sources and approval of projects.

Some 466.6 billion yuan of the total amount went to the state-owned firms, posting an increase of 19.9 percent over the same period last year.

The gross summer grain output is expected to reach a record of 110 billion kilograms this year, up three percent over last year, Ye said.

The output of edible vegetable oil will be some nine million tons, the second highest on record.

The early rice sown acreage this year expanded by one percent over last year, and the crop is doing well.

The output of animal and aquatic products this year continues to register a steady increase.

China's industrial value increased in the first half of this year, reaching 909.8 billion yuan, up 13.2 percent over the same 1995 period.

The industrial growth and formation could be characterized by a monthly rise of between 13 percent and 14 percent, simultaneous development of light and heavy industries, and the rapid growth of the collective sector.

The first six months of this year saw the light and heavy industries increase respectively by 13.4 percent and 13.1 percent over the same period last year; the collective industry grew by 17.9 percent, and other economic sectors by 14.3 percent. And the state-owned industry rose by 5.8 percent.

Chinese urban and rural residents enjoyed a sustained increase in their individual income in the first six months of this year.

From January to June, urban residents in China earned an average of 2,202 yuan in individual income, up 4.2 percent in real terms.

The average cash income (with production costs included) of rural residents stood at 921 yuan in the six



months, an 11 percent increase over the same period in 1995 with inflation adjusted.

**PRC: Statistical Bureau Reports Drop in Inflation Rate**

OW1907035596 Beijing XINHUA in English  
0341 GMT 19 Jul 96

[FBIS Transcribed Text] Beijing, July 19 (XINHUA) — The moderate tightening of the macro-control policy and the abundant supply of food grain, meat, poultry and eggs have helped reduce China's inflation rate.

The State Statistical Bureau spokesman announced at a press conference in Beijing today that the retail price index in the first half of this year rose 7.1 percent over the same month in 1995, and the consumer price index went up by 9.2 percent, dropping by 11.4 percentage points and 11.9 percentage points, respectively.

The prices for such goods as family-use electric appliances, jewelry, and machinery and electric appliances in the first half of this year were lower than in the same period last year, while those for service items and farm production materials were 15.7 percent and 12.1 percent higher.

**PRC: National Forum on Restructuring Economy Held in Harbin**

SK2207022696 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 21 Jul 96

[FBIS Translated Text] The national forum on restructuring the economy was held in Harbin on 19-21 July. Li Tieying, member of the Political Bureau of the CPC Central Committee, state councillor, and minister of the State Commission for Restructuring the Economy, attended the forum.

Addressing the forum, Zhang Haoruo, vice minister of the State Commission for Restructuring the Economy, said: Reform in coming days should proceed from invigorating the whole state-owned economic sector. We should regard strengthening structural readjustment as the turning point and urban areas as the base, and promote the circulation and reorganization of state-owned assets. While reviewing the progress of reform, Zhang Haoruo pointed out: Of the 100 pilot enterprises designated by the State Council, 95 have formulated pilot plans to implement reforms; more than 2,000 pilot enterprises selected by various provinces and cities have also comprehensively started reform; and most enterprises have entered the implementation period. The work of clearing assets and checking capital has been completed in the whole country; reform of the social security system has been universally carried out; reform of the banking system has witnessed new progress; the tax

system concerning foreign firms has also been reformed; reform of the circulation system has been continuously deepened; and rural structural reform has been steadily promoted. The progress of reform has enabled the basic realization of macroeconomic control targets; inflation has been noticeably controlled; the national economy has continued to increase; international revenues and expenditures have been good; and finance and banking work is stable, although there are worries despite the gratifying situation. Some deep-rooted contractions and problems in the economic life have not been fundamentally resolved, and the performance of state-owned assets is a worry. During the first quarter of this year, the losses of state-owned enterprises exceeded profits for the first time. Zhang Haoruo held that the reason for this is that enterprises lack an internal operating mechanism that can acutely reflect market changes; government and enterprise responsibility are not separated, which directly restricts changes in the enterprise mechanism; and the historical burdens of state-owned enterprises have seriously hindered the progress of changing the mechanism and establishing an enterprise system.

Zhang Zuojie, deputy secretary general of the State Council; Hong Hu, vice minister of the State Commission for Restructuring the Economy; and leaders of Heilongjiang Province, including Yue Qifeng, Tian Fengshan, Mao Guoliang, and Suo Changyou, attended the forum.

**PRC: Inner Mongolia Launches 'Massive' Development Projects**

HK1907061796 Beijing CHINA DAILY in English  
19 Jul 96 p 5

[By Pan Zhongming: "Inner Mongolia Maps Development Projects"]

[PTS Transcribed Text for FBIS] The Inner Mongolia Autonomous Region yesterday launched a series of massive projects for economic co-operation and foreign investment.

The region is proposing 55 projects with the intention of bolstering its economy during the Ninth Five-Year Plan (1996-2000).

The projects include such sectors as energy, metallurgy, electronics, machinery, chemicals and pharmaceuticals.

The region, endowed with a vast land area and rich natural resources, aims to intensify efforts to develop four pillar industries and three key sectors, said Bao Wenfa, vice-chairman of the Inner Mongolia Autonomous Region.

The four pillar industries include metallurgy, energy, machinery and electronics, and processing, which in-



volves agricultural and livestock products like wool, leather, and food.

The three key sectors are chemicals, building materials and forestry.

"The central government will further implement industrial policies favouring basic industries including agriculture, water conservation, energy and communications during the 1996 to 2000 period. This will be very beneficial to Inner Mongolia," he said.

The region, which boasts verified coal deposits of 210 billion tons, one-fourth of the nation's total, and 77 per cent of the world's verified deposits of rare earth, aims to keep a growth rate of around 10 per cent in the next five years with gross domestic product reaching 132 billion yuan (\$16 billion) by the year 2000.

To achieve the goal, the region has launched five strategies to make full use of its natural resources, he said.

It will accelerate economic development by opening up wider to the outside world, rejuvenate itself with advanced technology and education, tap the potential of human resources, and enhance industries with brand-name products.

"We will give priority to readjusting product mix and create a new all-directional and multilayered framework for foreign business and investment," he said.

The strategy of the country to further develop its central and western parts and open up the border areas has given great impetus to the development of Inner Mongolia, he said.

The region, occupying one-eighth of the total land area of the country, has so far opened 18 border cities including Manzhouli and Ertian, the largest border trading ports in China, along its 4,200 kilometre boundary line with Russia and Mongolia.

It has established trade ties with 82 countries and regions in the world. Its brand-name products, cashmere, rare earth, carpet, fodder, suit and ephedrine have entered the international market.

In 1995, the foreign trade volume of the region reached \$1.1 billion, 1.4 times more than 1990, representing an average annual growth of 19 per cent.

By the end of the century, Inner Mongolia is expected to emerge as an industrial province instead of as just a grassland where sheep and oxen roam, he said.

#### PRC: Commentary on Promoting Key State Construction Projects

HK2207073096 Beijing RENMIN RIBAO in Chinese 28 Jun 96 p 4

["Short Commentary": "Further Promote Key Construction Projects of the State"]

[PTS Translated Text for FBIS] The "Regulations for Management Over the State's Key Construction Projects" approved by the State Council have been promulgated by the State Planning Commission for implementation. This is a great event in China's construction field and a hallmark indicating legalization and standardization of management work over key construction projects.

Key projects represent the ability and overall national strength of a country's construction. It is the manifestation of the superiority of socialist countries in concentrating efforts to handle major affairs. A good job done in the construction of the state's key projects constitutes a very important condition for ensuring the attainment of the Ninth Five-Year Plan for national economic and social development and the long-range target for 2010. The "Regulations for Management Over the State's Key Construction Projects" approved by the State Council and promulgated by the State Planning Commission for implementation was precisely drafted to standardize management over the key projects and realize the target for the next 15 years. All departments, localities, and units concerned should foster the idea of taking the whole country into account, seriously follow and implement the requirements set forth in the "Regulations for Management," make the general and local projects submit to the state's key projects, and promptly coordinate and resolve the practical problems in construction. At the same time, it is necessary to strengthen macro-economic regulations and control, keep construction of the projects that do not conform to the state's industrial policies strictly under control, and amass the funds to ensure the state's key construction projects.

To build well the state's key construction projects, it is necessary to give full play to the role of market mechanism, deepen reform of the investment and construction management system, and vigorously introduce a corporate responsibility system for the key projects. To give full play to the role of market mechanism, it is necessary to strictly follow the provisions of the "Regulations for Management" regarding feasibility studies, capital mustering, material purchase, designing, construction, supervision, and other links; break with departmental and local protectionism; and implement the bidding system to save investment and improve the quality and increase efficiency of the projects. No unit or individual must be

allowed to intervene in the normal operation of the invitation to tenders and public bidding for the state's key construction projects.

We should earnestly strengthen management over the state's key construction projects and strive to increase the investment returns. The builders of the state's key construction projects should carry forward the spirit of hard struggle and diligence from beginning to end, oppose the blind pursuit for high standards, and prevent the unhealthy tendency of "colossal waste in key projects." They should resolutely correct the practices of exacting charges from the state's key projects and oppose blackmail so that the limited funds can be amassed to the key projects. Besides the fees stipulated in state regulations and approved by the State Council, no department, locality, or unit may collect charges from the state's key construction projects. Construction of the auxiliary projects should proceed together with the main project to ensure the investment returns. The auditing departments should earnestly perform their duties, strengthen their supervision over the state's key construction projects, and seriously handle the problems discovered.

**PRC: Regulations for Management Over Key Construction Projects**

HK2207072796 Beijing RENMIN RIBAO in Chinese  
28 Jun 96 p 4

[Report: "State Planning Commission Promulgates and Implements Management Procedures for State Key Construction Projects"]

[PTS Translated Text for FBIS] Beijing, 27 Jun (RENMIN RIBAO)— In order to strengthen management over the state's key construction projects, ensure the quality and completion of these projects, increase investment returns, and promote the sustained, rapid, and healthy growth of the national economy, the State Planning Committee, with the approval of the State Council, officially promulgated the "Regulations for Management Over the State's Key Construction Projects" a few days ago. The "Regulations" shall come into effect from the date of its promulgation.

There are 26 articles in the "Regulations," which mainly include:

—The state's key construction projects are determined by the state's industrial policies and the needs and possibility of the national economic and social development. These projects apply the principles of laying stress on key projects, acting according to the country's ability, leaving room for maneuver, preventing decentralization of funds, and ensuring the investment funds and capital supply.

—The competent planning departments of the State Council shall consult the competent departments of the State Council in determining the state's key construction projects. The key construction projects shall be announced by the competent planning departments of the State Council. The competent planning departments of the State Council shall join the competent departments of the State Council and relevant local government departments to coordinate, guide, and exercise supervision over construction of the state's key projects.

—The competent planning departments of the State Council and the relevant planning departments of the local governments should make arrangements for the annual investment plan of the key construction projects in accordance with the construction period for the state's key projects. While making arrangements for the annual investment plans, it is necessary to reserve a certain amount of funds, which will be used to meet the special needs in the course of construction of the state's key projects.

—Unless there are other state regulations, the state's key construction projects shall implement the corporate responsibility system. The corporate shall be responsible for planning, capital mustering, construction, production and operation, repayment of debts, and increment of assets of the key projects. In light of relevant state stipulations, the corporate shall exercise strict management over the construction funds, construction period, project quality, and production safety.

—In light of the annual investment plan and contract for the state's key construction projects, the relevant competent departments of the State Council and local governments, banks, enterprises, and institutions responsible for allocating the construction funds shall guarantee allocation of the funds in accordance with the progress of the construction. The relevant banks and departments should make arrangements on a priority basis for the reserve funds for equipment of the key projects. The local people's government shall be responsible for land requisition and relevant work of the key projects and offer necessary convenience. The land management departments should ensure land required for the key construction projects in accordance with the law. The electricity, transportation, post and telecommunications, and water and heat supply units should ensure the electricity, materials, water, and heat needed for the construction and production of the key projects. Relevant enterprises and institutions should ensure the supply of equipment and materials needed by the key projects.

—Besides the negotiated bids and bids invited in light of regulations with approval, the corporate shall carry out public bidding for the design, construction, supervision,



and equipment purchases of the main body of the key construction projects. The bidders should have A grade (first class) qualifications as stipulated by the state. Without the approval of the corporate, the winner of the bid may not transfer or share the contract with other construction units.

—In light of the construction progress stipulated by the state for key projects, construction of the auxiliary projects for the state's key projects shall proceed simultaneously with the key projects. The departments and units responsible for supplying construction funds to the auxiliary projects should ensure allocation of construction funds in light of the progress of construction of the project.

—When construction of the state's key projects is complete and has undergone a test run, the construction corporate should immediately organize the design and construction units to check and examine the project. If the project is up to standard in the initial check, the competent planning departments of the State Council or the organs authorized by them shall organize relevant units to make a completion test. If the test is up to standard after a trial run, an appraisal should be made in light of relevant state regulations.

—No units or individuals may misappropriate or intercept the construction funds and equipment reserve funds earmarked for the state's key projects. They may not exact charges from the state's key projects, with the exception of those stated in the laws and regulations of the State Council.

—Those who have not allocated the construction funds to the state's key projects in light of the regulations shall be held responsible for violating the contract. The competent planning departments of the State Council shall circulate a notice of criticism and mete out punishment against the persons involved. If the funds for the portion of local investment are not allocated for two successive years, the competent planning departments of the State Council shall have the right to suspend the approval of the new projects in the locality for the next fiscal year.

#### **PRC: Machine-Building Enterprises To Be Listed on the Stock Market**

*OW2207082796 Beijing XINHUA in English  
0815 GMT 22 Jul 96*

[FBIS Transcribed Text] Shenzhen, July 22 (XINHUA) — China is to seek funds for its major enterprises in the machine-building industry through the securities market, according to an official at the Ministry of Machine-Building Industry.

Xing Yujiu, director of the ministry's Policy and Regulation Department, said that the asset-liability ratio of enterprises in the sector averages 80 percent, and they need a share-holding transformation to rein in the hefty ratio. He was speaking at the listing ceremony of the Shenyang Machine-Tools Company in Shenyang.

The Shenyang company, the biggest manufacturer of machine tools in China, has raised 214 million yuan to fund its technological transformation by offering 54 million A shares to the public.

The company has also won 121 million US dollars in low-interest loans from the World Bank, and 450 million yuan in loans from the State Development Bank of China, for technological transformation.

The Chinese official also revealed that China's biggest instruments manufacturer, Silian Instruments Group, will be listed soon on the Shenzhen Stock Exchange, along with some other enterprises in the sector.

#### **PRC: China Shipbuilding Company Output Tops \$8 Billion**

*OW2007123796 Beijing ZHONGGUO XINWEN SHE  
in English 1158 GMT 20 Jul 96*

[FBIS Transcribed Text] Beijing, July 19 (CNS) — China Shipbuilding Corporation has achieved an industrial output worth US\$ 8.27 billion during the first half of this year.

During the period under review, the shipbuilding giant has built 65 vessels with a combined capacity of 580,000 tonnes as well as completed an unprecedented RMB 918 million of repair and maintenance work. Eighty per cent of the service work was for foreign vessels. There are now ships of 950,000 tonnes being built in shipyards.

In addition, it is still holding multi-billion Renminbi shipbuilding contracts with an combined capacity of 46 million tonnes.

#### **PRC: Statistics Show Clear Growth in Production of Rubber**

*OW2007070596 Beijing ZHONGGUO XINWEN SHE  
in English 0608 GMT 20 Jul 96*

[FBIS Transcribed Text] Beijing, July 20 (CNS) — Statistics released by the China Goods and Materials Information Centre under the Ministry of Internal Trade show that in the first half of this year, there was clear growth in the production of rubber, directly influence on the amount of stock being held. Stocks were reported to be 50 per cent higher than in the same period last year.

The rubber supply (including local output and rubber imports) stood at 760,000 tonnes, up 20 per cent



from last year. The output of synthetic rubber was 279,000 tonnes, which increased by 7 per cent. The imports of synthetic rubber were 167,000 tonnes, up 19.6 per cent. The imports of natural rubber was 210,000 tonnes, representing a 62.2 per cent increase. The domestic output of natural rubber was 110,000 tonnes, a considerable rise over last year. However, the consumption of rubber in the whole country in the first half was less than 620,000 tonnes, clearly far lower than the supply of rubber.

Experts agree that presently the rubber stocks are too large. Rubber inventories have increased 50 per cent from last year's first half total, and this will increase the disparity between supply and demand in the second half of this year.

The excess supply caused a continuous drop in the price of rubber. In June, the average price of natural rubber in the whole country was down 1.4 per cent at RMB [renminbi] 13,800 per tonne. Synthetic rubber prices fell 0.5 per cent to RMB 11,750 per tonne. It is estimated that in the third quarter of this year, prices will continue to tumble.

#### PRC: Electronics Industry Reports Growth

OW1907101696 Beijing XINHUA in English  
0828 GMT 19 Jul 96

[FBIS Transcribed Text] Beijing, July 19 (XINHUA) — China's booming electronics industry generated an output value of 128.5 billion yuan during the first half of this year, up 16 percent over the corresponding period last year, according to Liu Jianfeng, Vice- Minister of the Electronics Industry.

The growth rate stood at 13.2 percent in the country's industrial sectors, 2.8 percent lower than in the electronics business, according to today's "ECONOMIC DAILY."

Statistics from the Ministry of Electronics Industry show that the output of electronic products for capital construction use maintained a 32.4-percent increase during the January-June period, while that of consumer products and electronic components turned out growth margins of 9.6 percent and 10.8 percent, respectively.

The sales of computers rose by 113 percent from the same period of 1995, and that of integrated circuits and videotape recorders rose by 160.6 percent and 59.2 percent, respectively.

According to the latest Customs statistics, in the first five months of this year, China exported electronic products worth 7.473 billion US dollars, up 23.7 percent over the corresponding period in 1995, and accounting for 14.4 percent of the country's total exports in that period.

#### PRC: Electronics Industry Makes 'Steady Advances'

OW2007070296 Beijing ZHONGGUO XINWEN SHE  
in English 0607 GMT 20 Jul 96

[FBIS Transcribed Text] Beijing, July 20 (CNS) — China's electronics industry has made steady advances in the first six months of this year, but growth has been checked somewhat.

Results show that output in the electronics sector grew by 16 per cent to reach RMB [renminbi] 128.5 billion, a strong result but a significant drop on last year's first half growth of approximately 26 per cent.

Sales growth has also seen a mild downturn this year, recording only 11.9 per cent growth to reach RMB 93.2 billion with only 93.5 per cent of the products sold. Accordingly, after-tax-profits also dropped a little bit to manage RMB 3.9 billion.

However many individual products performed outstandingly well; sales of micro-computers rose 113 per cent, integrated circuits 160.6 per cent, and video cassette recorders 59.2 per cent. Colour television sets and colour cathode ray tubes both maintained a reasonable growth in sales.

Market analysts believe that the drop in growth is largely due to fierce competition, especially from foreign goods. There are currently many domestic manufacturing firms competing with one another by making exactly the same items, and as a result firms are finding that operating costs prohibit them from making any serious profit on these products.

The lack of research and development in the electronics sector has meant that products are often outdated or not suited to the market's needs, leaving quite a lot of unsold stock.

Foreign trade, however, performed well, with the total value of exports of electronics products rising 23.7 per cent to hit US\$ 7.473 billion - 14.4 per cent of the mainland's total export value from January to May.

#### PRC: Guizhou Speeds Up Economic Cooperation With Coastal Areas

OW2007072296 Beijing ZHONGGUO XINWEN SHE  
in English 0610 GMT 20 Jul 96

[FBIS Transcribed Text] Guiyang, July 20 (CNS) — Guizhou Province is boosting its level of cooperation with the mainland's more prosperous coastal regions.

Economic relationships have been established with Shanghai, Zhejiang, Guangdong, Guangxi, Fujian and Hainan. Guizhou has brought in RMB [renminbi] 1.65

billion in investments from other provinces and regions over the past five years.

The province's trade in production materials was RMB 5.7 billion. There are currently 970 cooperative projects and 673 other projects involved in the introduction of technology into Guizhou. It is hoped that every one of these projects will provide some impetus to the province's economic development campaign.

The introduction of capital and technology from coastal areas has resulted in Guizhou's energy and materials—both raw and processed—being used more efficiently and effectively.

Guizhou entered into cooperative projects with Guangdong and Guangxi in carrying out several state-level power projects. Electricity transmitted from Guizhou to Guangdong reached over five billion kilowatt hours between June 1993 and late last year.

Guizhou increase the rate at which it is introducing industries from eastern areas. A Shanghai shoe factory has entered into a joint venture with Guiyang Shoe Company. The venture will produce 60,000 pairs of shoes in Guiyang per annum. An electric flask assembly plant was set up in Guiyang, using parts manufactured in Zhejiang. Hainan made a big investment in Guizhou to establish a specialist phosphorus production plant.

The Secretary of the Guizhou Provincial Party Committee, Liu Fangren, said that the province would make use of its abundant resources and preferential policies to create favourable conditions for the transfer of industries from eastern areas, which can act as the driving force behind Guizhou's economic development.

#### **PRC: China Adopts Three Measures To Salvage Enterprises**

*HK1907090096 Hong Kong MING PAO in Chinese  
28 Jun 96 p B10*

[Report by special correspondent Yuen Yuen (5913 1254): "State Council Takes Three Measures To Salvage 1,000 State Enterprises"]

[PTS Translated Text for FBIS] As disclosed by an informed source, Vice Premier Wu Bangguo recently confirmed in Hebei that to solve the increasingly acute problems arising from industrial economic operations, the State Council has agreed to provide funds in support of 1,000 key enterprises and has made it clear that three preferential policies will be implemented as soon as possible. The policies comprise moving these enterprises' accounts with deposit banks to the headquarters of the commercial banks or offering direct loans by commercial banks as mandated by their headquarters; changing

all loans into circulating fund loans; and with no interest increase for the loans.

#### **Commercial Banks Are Wholly Responsible for the Loans**

The first preferential measure allows the 1,000 enterprises to move their bank accounts with local deposit banks to the headquarters of commercial banks, or allow local banks to offer direct loans to enterprises subject to the mandates of their headquarters. This measure will ensure key enterprises get the funds they need. Usually this is impossible because the amount of loans provided by commercial banks are controlled by local authorities. Wu Bangguo said after the 1,000 key enterprises open basic accounts with the headquarters of the commercial banks, the headquarters will ensure to provide the loans they need.

The second measure requires re-evaluation of the circulating funds of the 1,000 enterprises. Then the commercial banks will change their original three year-plus fixed asset loans into one-year circulating fund loans. The interest will be calculated on a one-year basis and the interest rate lowered to 3 percent.

#### **No Interest Increase as a Preferential Measure**

The third measure ensures a fixed interest rate for the loans. Commercial banks on the mainland have the right to adjust the interest rate, but they usually adjust it upward rather than downward because of fund shortages. Wu Bangguo called on the banks to favor the 1,000 enterprises by promising not to adjust upwards the interest rate. The current interest rate for one-year circulating fund loans set by mainland commercial banks is 10.98 percent, which was 12.06 percent in May.

Wu Bangguo said that though the above three measures are subject to approval of the central bank and the State Economic and Trade Commission, the basic principles have been discussed by several leading officials of the State Council. Wu said the implementation of the measures brooks no delay. The measures should be applied to 300 to 400 enterprises by the end of June this year at all events. After having their funds guaranteed, these enterprises must commit to perform three duties: One, they should draw up a plan to increase their own funds, because the circulating funds they have borrowed from the banks constitute an excessive burden for them; two, they are not allowed to divert the funds for any other purpose, including infrastructural development, making investment in real estate, and speculating on stocks; and three, they must pay interest on time, with part of the profit kept for themselves, with the money obtained by additional depreciation [zhe jiu bu chong 2124 5283 5943 0339], by raising funds from society,



or allowing other legal entities to buy shares [fa ren gu can gu 3127 0086 5140 0639 5140].

### Foreign Trade & Investment

**PRC: Air China Orders Three Boeing 747 Jetliners**  
*OW2007033796 Beijing XINHUA in English*  
0319 GMT 20 Jul 96

[FBIS Transcribed Text] New York, July 19 (XINHUA) — Air China, the flag carrier of the People's Republic of China, has ordered three 747 jetliners worth approximately 510 million U.S. Dollars, according to a news release of the company reaching here today.

"These 747-400s will contribute to Air China's growth and future success," said Larry Bickenson, vice president for International Sales, Asia/Pacific, Boeing Commercial Airplane Group.

"China and Boeing this year celebrate 25 years of working together. We are committed to continuing our strong relationship with Air China and China's aviation leaders," he added.

Air China plans to use the 747-400s to fly to the United States, Europe and Asia, according to the Boeing company. The airline currently operates 18 Boeing 737s, 16 Boeing 747s and 10 Boeing 767s. This order brings to 47 the number of Boeing airplanes operated by Air China.

Boeing has provided support in virtually every area of China's aviation industry for many years, including air traffic control and regulatory development, flight and crew training, a spares center at the Beijing Capital Airport and on-the-job training for China's airline personnel.

China has taken delivery of more than 250 Boeing airplanes, according to the company, which represent a 70 percent share of the Chinese aircraft market.

**PRC: Statistics Show Greater Use of Foreign Funds**  
*OW1907110596 Beijing XINHUA in English*  
0950 GMT 19 Jul 96

[FBIS Transcribed Text] Beijing, July 19 (XINHUA) — Latest statistics from the State Statistics Bureau show that China signed 14,061 contracts with foreign investors during the past six months.

"Though the number of contracts decreased by 10.7 percent over the same period last year, the sum of foreign funds we actually attracted increased", Ye Zhen, spokesman for the bureau, said at a press conference today.

In the six month period, China used 45.6 billion US dollars in contracts, and actually used 19.77 billion US

dollars, up 46.2 percent and 20.2 percent respectively over same period last year.

Ye said that China, with its large potential market and steady economic development, is still a hot spot for foreign investment.

**PRC: Foreign-Funded Companies Stimulate Exports From Shandong**

*OW2207085396 Beijing XINHUA in English*  
0826 GMT 22 Jul 96

[FBIS Transcribed Text] Jinan, July 22 (XINHUA) — Foreign-funded companies have become a driving force behind the substantial growth in exports from coastal Shandong Province, according to the provincial government.

An official of the Provincial Commission of Foreign Trade and Economic Cooperation said that the province exported 5.25 billion US dollars worth of goods in the first half of this year, up nearly 14 percent over the same period in 1995.

During the first half of 1996 exports from foreign-funded companies soared by almost 40 percent to 2.37 billion dollars, the official said.

He said that major export goods included clothing, machinery, electronics products, vegetables, seafood, cement and crude oil, all of which accounted for 60 percent of Shandong's exports.

"The Republic of Korea, Japan, the United States and Hong Kong remain Shandong's leading trading partners," he said.

Shandong's trade with the three countries and Hong Kong region amounted to 5.5 billion US dollars in the first half of 1996, almost two thirds of its total exports with the rest of the world, he added.

**PRC: Foreign-Funded Firms Increase Hainan Investments**

*OW1907133196 Beijing ZHONGGUO XINWEN SHE*  
in English 1107 GMT 19 Jul 96

[FBIS Transcribed Text] Haikou, July 19 (CNS) — Foreign-funded enterprises in Hainan Province have both increased the size of their investments and also increased exports steadily over the last few years, and 1996's first-half figures show these trends are continuing.

Last year, Hainan's contracted investment from foreign companies amounted to US\$ 3.19 billion, and in-place foreign investment was US\$ 1.06 billion, respective



increases of 90.6 per cent and 15.7 per cent over 1995's figures.

In the first half of this year, Hainan approved the setting up of 125 new foreign-funded enterprises, with a total investment of US\$ 430 million. Last year, the whole province approved the setting up of 14 foreign-funded enterprises with individual investments of over US\$ 30 million.

From January to May this year, the value of exports of foreign-funded enterprises was US\$ 41.35 million, up 20 per cent from the same period last year. Last year, the value of exports of foreign-funded enterprises in the whole province was US\$ 80 million, amounting to one-tenth of Hainan's exports.

The overall increase in the scale of investment was most notable in basic infrastructure projects, large, technology-intensive projects and agricultural development projects.

A group of foreign-funded export leaders has emerged. For example, last year, the value of exports of Youmei Underwear Company Limited was US\$ 6.84 million, but from January to May this year, the value of exports was US\$ 7.01 million.

#### **PRC: Shanghai Plans To Attract Foreign Capital of \$10 Billion**

*OW2007071296 Beijing ZHONGGUO XINWEN SHE in English 0608 GMT 20 Jul 96*

[FBIS Transcribed Text] Shanghai, July 20 (CNS) — Xu Kuangdi, mayor of Shanghai City, said today that one of the city's main tasks this year was to attract multinationals to invest in Pudong and to develop large hi-tech plants.

Shanghai has set its targets for the use of foreign capital in 1996, hoping that the contracted foreign capital reaching US\$ 10 billion, of which US\$ 4 billion in place by the end of the year. The value of exports of foreign-funded enterprises should also be US\$ 4 billion.

Last year, Shanghai approved 2,846 foreign investment projects, having a total contracted capital of US\$ 10.54 billion.

Sources say that Shanghai will increase the use of foreign capital in secondary and tertiary industries, such as the development of agriculture, the chemical industry and the automobile industry (including car, truck and coach manufacturing).

The city will also try and secure foreign investment in hi-tech industrial projects, such as the development of integrated circuits, computers, new medicine and materials.

Moreover, foreign investors are encouraged to enter industries that cause minimal pollution like packaging, printing, food processing, clothing processing, and precision spare part manufacturing.

This year, the Shanghai Municipal Government will streamline the complicated procedures for foreign investors in the construction of low-price housing.

Foreign investors are to be encouraged to run chain supermarkets, convenience stores and fast food shops in residential areas and suburbs. Shanghai will also cooperate with overseas operators to run one or two joint venture travel agencies.

The municipal government will attract industrial multinationals to set up investment companies and move their headquarters to Shanghai.

#### **PRC: Shantou SEZ To Adopt Guarantee System for Processing Trade**

*OW2207080096 Beijing XINHUA in English 0657 GMT 22 Jul 96*

[FBIS Transcribed Text] Shantou, July 22 (XINHUA) — Shantou, one of China's five special economic zones in southern Guangdong Province, is expected to adopt a system of bank guarantee deposit accounts for the processing trade.

Vice-Mayor Chen Youlie cited the move, which will begin this month, as aiming at both pushing Shantou's economy on-line with internationally-recognized practices, and speeding up the nation's equal treatment to foreign-funded enterprises.

The new cash deposit accounts system, which will be adopted nationwide this year, encourages equal competition among domestic and overseas enterprises. It is expected to facilitate the processing trade in the special economic zone, to promote smooth growth of the processing industry in China, and to help guarantee collection of state tax revenues.

### **Agriculture**

#### **PRC: Shandong Reports Good Harvest in Summer Grain**

*SK1907044096 Jinan DAZHONG RIBAO in Chinese 9 Jul 96 p 1*

[FBIS Summary] Although Shandong was hit by a catastrophic drought and some other natural disasters this year, it still reaped a good harvest in summer grain. This year, the province has actually harvested 61.15 million mu of wheat, with the total wheat output reaching 20.375 billion kg. As of 4 July, the province

actually laid up 2.341 million tonnes of wheat procured on a contract basis, fulfilling the state-assigned target by 100.3 percent. The province has taken the lead in the country in fulfilling the summer grain procurement task, fulfilling the task six days ahead of schedule. Of the 17 prefectures and cities in the province, 11 have fulfilled or overfulfilled the summer grain procurement task.

**PRC: National Agriculture Meeting Notes Summer Harvest 'Good'**

OW1907153196 *Beijing XINHUA in English*  
1516 GMT 19 Jul 96

[FBIS Transcribed Text] Shanghai, July 19 (XINHUA) — China's summer harvest has been good this year, and grain production for the whole year looks the same, according to a national meeting on agriculture here.

Total summer grain production hit a record high, with 16 provinces and municipalities having increased production, mainly because of increased use of new technology.

Livestock production has kept growing fast. According to statistics of 14 provinces, total output of pork, mutton, and beef reached 14 million tons in the first half of the year, an increase of 15.9 percent over the same period last year. Aquatic products output from January to May reached 7.23 million ton, a rise of 16.7 percent over last year.

Township enterprises have also performed well, with added value hitting 354 billion yuan (40.7 billion US dollars), an increase of 25.1 percent over the same period of last year.

According to the State Statistics Bureau, the actual half-year per capita income of peasants, when adjusted for inflation, has increased by 11 percent over the same period last year.

"The key to a good harvest for the whole year lies in the production of the latter half. All officials and technicians in the agricultural sector should deal with concrete matters relating to work and try their best to meet the goals of the whole year," said Liu Jiang, minister of agriculture.

Liu said that the industrialization of agriculture is a major undertaking, which synchronizes the development of seeding, breeding, processing, transportation, and selling. Agricultural departments at various levels should promote this development.

**PRC: Jiang Chunyun Calls For Agricultural Development in Guizhou**

OW1907153396 *Beijing XINHUA in English*  
1455 GMT 19 Jul 96

[FBIS Transcribed Text] Guiyang, July 19 (XINHUA) — Vice-Premier Jiang Chunyun called on Guizhou officials to solve some major problems that are hindering agricultural development in this southwest China province.

Jiang made the remark during a six-day tour of Guizhou, which was hit by heavy flooding earlier this month.

The vice-premier called for greater effort in water and soil conservation, the ecology, the province's industries, applying science and technology to agriculture, and building more roads.

He called on officials at various levels to follow Jiang Zemin's recent instructions on rural development and reform as a guide to overcoming poverty and achieving prosperity.

The vice-premier also asked local officials to draft plans for flood control and drought-relief, in a bid to guarantee good harvest.

Guizhou is trying to solve its food problem by the end of the century.

**PRC: Liaoning Holds Rural Reform Work Conference**

SK2007085896 *Shenyang LIAONING RIBAO*  
*in Chinese* 30 Jun 96 p 1

[Report by reporter Sun Yupeng (2327 3768 7720)]

[FBIS Translated Text] The two-day provincial work conference on deepening rural reform ended in Haicheng on 26 June. The conference basically defined a thinking to govern the deepening of rural reform in the foreseeable future. That is, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and according to the requirements for changing the economic system and the economic growth form, we should take economic development as a key link, the reform of the property right system as a priority, and the improvement of the market mechanism as the main line; should carefully organize forces to make a breakthrough in key areas; should promote package reform; and should provide forceful motivations for elevating Liaoning's agriculture to new heights.

The provincial party committee and government jointly convened this conference in order to conscientiously analyze the province's rural reform situation over the past



few years; to sum up and popularize the reform experience gained by several areas, including Haicheng; to pioneer effective ways for eliminating the deep-rooted contradictions and problems in rural areas; to further enhance the broad masses of cadres and the people's awareness of reform; to define reform targets; to expand the dynamics of reform; to continue to deepen rural reform; and to provide forceful and reliable guarantees for elevating Liaoning's agriculture to new heights during the Ninth Five-Year Plan period. Responsible persons of Haicheng, Dashiqiao, and Lingyuan introduced their experience in deepening the reform of the property right system. The conference participants visited some units in Haicheng with typical reform experience, and enthusiastically discussed the issue on further deepening the reform.

Xu Wencai, Standing Committee member of the provincial party committee and vice governor of the provincial government, made a speech at the conference. After analyzing the province's current rural reform situation, he pointed out: To talk about in broad outline the problems related to the current reform, we may say that some reform measures do not keep abreast of the time, lack consistency and standards, and cannot coordinate with the current reform. These problems have affected or are affecting the development of the rural economy. In line with the standards for "being conducive to the development of the productive forces of the socialist society, enhancing the overall national strength of the socialist country, and improving the people's livelihood," Haicheng and other places have emancipated the mind; bravely experimented with reform; continued to consolidate and expand rural reform achievements; persisted in the thinking that development is an established principle; carried out reform to closely serve the development of the economy; persisted in market-oriented reform targets; worked out a frame of the market economic system; persisted in the policy of making a breakthrough in key areas and promoting package reform; coordinately promoted the reform of the overall county-level system; and adhered to the policy of paying persistent attention to two tasks. Their experience in forming a good social environment suitable to reform is of practical significance and is valuable for reference. Thus, all localities should proceed from actual conditions to creatively emulate their successful experiences.

Xu Wencai said: After the founding of the PRC, our province stepped from a phase of being agriculturally insufficient to one of being agriculturally self-sufficient. From now on, our province is going to enter a new phase of developing an industrialized, modernized, and commercialized agriculture. This phase will cover the "Ninth, 10th, and 11th Five-Year Plan" periods, or an

even longer period of time. The Ninth Five-Year Plan period is a key period when the province should elevate its agriculture to new heights. One of the important supporting conditions is to deepen rural reform. According to the idea governing reform, we have specifically defined some reform targets as follows: Establish a dual management system dominated by contract responsibility on a household basis, with payment linked to output, so as to give full scope to the enthusiasm of both centralized and decentralized management layers; to further industrialize agriculture; and to appropriately upgrade the scale of the rural economy. Establish a comparatively perfect system for the distribution of farm products so as to protect and regulate the distribution of farm products. Basically establish a new pattern with public ownership as a key link, which involves various sectors of the economy and various management forms, so as to clarify and diversify the property rights of urban and rural key enterprises. Basically establish a modern enterprise system to meet the requirements of the market economy. Bring into better play the markets' role in distributing natural resources, and further strengthen the market operation mechanism. Preliminarily form a unified, open-type, and orderly-competition market system; improve commodity markets; generally establish markets for laborers; standardize land markets; and basically establish markets for such commodities as technologies and information. Basically establish an individual income distribution system in line with the principle of payment according to work, giving first consideration to work efficiency and doing so on the basis of equality so as to better readjust the interests of various sectors in society. All levels of the governments should essentially change their traditional functions for managing the economy. Preliminarily define a system for regulating the economy with indirect means. Basically form a social security system in both urban and rural areas. The economic growth form should greatly be changed. Increasingly more rural commodities should be sent to domestic and foreign markets.

Xu Wencai set forth that we should attend to the following points in order to deepen rural reform: First, continue to steadily perfect the household-based and output-related contract system as well as the system of linking centralized management with decentralized management. Land utilization rights can be sold. That is, we should enliven the utilization of land by all possible means, such as selling land utilization rights, renting land, and selling land shares; we should also positively, steadily, and appropriately manage land. Second, vigorously reform the property right system by focusing on town and township enterprises. The existing enterprises can change themselves into shareholding cooperative enterprises either in the method of selling shares



to their staff members and workers or in the method of selling property rights. Enterprises which are new and newly expanded should carry out either the shareholding cooperative system or the shareholding system. Small enterprises, enterprises with small profits, and money-losing enterprises can merge with others, be managed on a leasing basis, or be auctioned. Consideration should be given to the reform of the property right system related to state-owned small enterprises subordinate to counties, as well as to urban collective enterprises. In addition, it is necessary to expand the dynamics of reforming the property right system of "wasteland, barren hills, and deserted beaches and water surfaces" as well as small farmland water conservancy facilities. Third, establish and perfect forms to organize and manage industrialized agriculture. Fourth, positively develop the mainstays of markets and establish and perfect market systems. Fifth, quicken the county-level system reform and the rural areas' support for reforms.

Gu Jinchi, secretary of the provincial party committee, made an important speech before the conclusion of the conference. He said: Over the past 10 years, gigantic changes have taken place in rural areas. The rural economy accounts for a proper proportion in the entire economy, and rural areas have noticeably enhanced their economic strength. All these achievements result from reform. From now on, we should also rely on reform to make development. Reform is an essential condition for realizing two fundamental changes and for upgrading the operational quality of the rural economy, as well as an important guarantee for implementing the "three major strategies."

Gu Jinchi talked about the issue concerning leadership. He said: To deepen reform, all levels of leaders should have the daring to lead reform and be good at leadership. First, according to the requirements for being conducive to the development of productive forces of a socialist society, to the enhancement of the overall national strength of a socialist country, and to the improvement of the people's livelihood, we should emancipate the mind; have the daring to try and go ahead; study ways to solve hotly-debated and difficult problems; break through restricted areas; keep forging ahead; bravely step forward; and avoid adopting a wait-and-see attitude or losing favorable opportunities. Second, party committees and governments should put reform into their work agenda. Principal leaders should concentrate their time and energy to thoroughly study, arrange, and guide the reform work in an effort to ensure a sound progress of reform. Third, we should strengthen the

construction of rural grass-roots party organizations so as to provide a political guarantee for reform. Deepening rural reform is a task related to various fronts. Thus, there must be ideological and political guarantees. We should pay particular attention to the construction of town and township party committees and rural party branches, and should bring into play their roles as a leading core and a fighting force in healthfully developing rural reform. Simultaneously, we should strengthen our ideological and political work toward the peasants so as to firmly enjoy the masses' assistance to reform.

Gu Jinchi stressed: In deepening rural reform, we should pay particular attention to handling several relations as follows: First, effectively handle the relation between reform, development, and stability. The purpose of reform is to promote development and to ensure stability. Thus, in carrying out reform, we should have the daring to make explorations; adopt a scientific attitude; effectively grasp policies and strategies; ensure a steady implementation of reform measures; and reduce contradictions and shocks to the minimum. The reform which should proceed step by step must be carried out in an orderly manner, but must not proceed with undue haste. Second, effectively handle the relation between reform in key areas and auxiliary reform. For a period of time, we should not only attend to the reform in key areas, but should also achieve auxiliary reforms so as to provide guarantees for key reforms and to achieve the desired results in key reforms. Third, effectively handle the relation between the reform of the economic system and the construction of the spiritual civilization. We should attend to both economic reform and ideological and political work, should conduct propaganda on the legal system and policies, and should ensure a smooth progress in reform.

Shao Bingren, vice minister in charge of the State Commission for Restructuring the Economy, paid a special visit to Liaoning to attend the conference. He also made a report on the national rural economic situation and the rural reform tasks.

Present at the conference were some veteran leaders of the province, including Dai Suli, Wang Guangzhong, Yang Keping, Zhao Qi, Li Jun, and Li Qisheng.

Also attending the conference were the city party committee secretaries and mayors in charge of agriculture; responsible comrades of the policy research offices of the city party committees, the city agricultural commissions, and the city economic restructuring committees; responsible comrades of the provincial-level departments concerned; and representatives of some advanced units.

### East Region

#### PRC: Fujian Develops Rural Telecommunications

OW1607043796 Beijing XINHUA in English  
0326 GMT 16 Jul 96

[FBIS Transcribed Text] Fuzhou, July 16 (XINHUA) — East China's Fujian Province will invest 3.3 billion yuan to build telephone networks that cover 6,000 villages.

By 1999, all villages in rural areas will have access to telephones.

Though telecommunication has developed rapidly over the past few years, telephone service is unavailable in 40 percent of the province's 15,000 villages, provincial statistics show.

Local governments plan to install telephones in 70 percent of the villages by the end of this year. Telephone systems at township levels will be converted to digital-controlled ones within the year.

#### PRC: Fujian Governor Notes Economy 'Experiencing' Slowdown

OW1907132996 Beijing ZHONGGUO XINWEN SHE  
in English 1106 GMT 19 Jul 96

[FBIS Transcribed Text] Fuzhou, July 19 (CNS) — Fujian Province is experiencing an economic slowdown, and exports have fallen in the first six months of the year.

The three most acute problems facing the province are loss-making state enterprises, sluggish exports and falling investments in fixed-assets. Chen Mingyi, governor of Fujian, emphasised that in order not to jeopardise current-year or even long-term development these problems must be properly solved.

According to government figures, aggregate losses incurred by state firms last year amounted to RMB 100 million, yet RMB 300 million of losses have been incurred in the first six months of this year alone. In addition, 35 per cent of industrial enterprises and 33 per cent of business enterprises have contracted deficits.

For the first time in decades, Fujian has recorded negative export growth, with first-half results down 6.5 per cent. The total value of Fujian's exports was only U.S.\$ 4.2 billion.

Although Fujian ranked fifth after Guangdong, Shanghai, Jiangsu and Shandong in the table of top export performers, fourth-placed Shandong exported U.S.\$ 1 billion more than Fujian and pacesetter Guangdong outperformed Fujian by an amazing U.S.\$ 21 billion.

Fixed-asset investment has been nose-diving for a year. The year of 1995 saw fixed-asset investment plunge 29.4

per cent; yet the half-year results for 1996 show that a further drop of 3.5 per cent occurred compared with the same period last year. As a result, a number of key projects have been shelved.

As for the reasons why state firms are ineffective and incurring losses, analysts point out that apart from the inefficient market mechanisms, unsuccessful economic reforms and the effects of inflation factor, incompetent management on the part of the state firms as detrimental factor.

Now the provincial government is left with two very formidable tasks in the latter part of the year: To considerably improve internal management within state firms and to quicken the pace of corporate reform, the analysts say.

To tackle ailing exports, the provincial government is understood to have embarked on a series of appropriate measures including expediting export rebates, enhancing export credit sizes and offering financial assistance to exporters.

Compared with some provinces, Fujian's economy is still fairly small. Economists have suggested to the provincial government that they make wider use of foreign capital - especially investments from Taiwan, Hong Kong and Macau - and other capital raising techniques.

#### PRC: Fujian Officials Handle 1,300 Corruption Cases in 6 Months

OW1707013896 Beijing ZHONGGUO XINWEN SHE  
in English 2311 GMT 16 Jul 96

[FBIS Transcribed Text] Fuzhou, July 16 (CNS) — As a result of an anti-corruption drive aimed mainly at government officials, prosecutors in Fujian Province have investigated over 1,300 corruption cases, involving almost RMB [renminbi] 50 million, during the first half of the year.

Among these cases, there were 25 involving senior Party and provincial government officials at department head level or above. The officials under investigation served in a wide range of departments, including the judicial, administrative, law enforcement and economic affairs departments.

Seventeen of the cases involved RMB 1 million or above and many of the most serious cases involved state-owned firms. Hong Xinzhi, an assistant manager at a cement factory, was alleged to have received bribes of RMB 1 million. Zeng Siqing, an employee of an agricultural bank, received a bribe of nearly RMB 1 million and embezzled RMB 285,000 million from



the bank. An accountant working for a Xiamen gas company was alleged to have stolen RMB 1.5 million of company funds.

Apart from the government departments, the prosecutors also investigated complaints implicating the key sectors of banking, securities, real estate development, property letting, land use and infrastructural development, and as a result they tackled a total of 91 corruption and embezzlement cases.

**PRC: Huang Ju Speaks on Economic, Social Development**

*OW1907113396 Shanghai People's Radio Network in Mandarin 2300 GMT 8 Jul 96*

[From the "990 Morning News" program]

[FBIS Translated Text] The Shanghai Municipal CPC Committee held its third quarterly enlarged standing committee meeting in the afternoon on 8 July. The meeting reviewed and summed up work of the first half of 1996, and arranged work for the second half of the year. Huang Ju, secretary of the Shanghai Municipal CPC Committee, chaired the meeting and made an important speech. He called for even greater reinforcement of unity in thinking and understanding, better clarification in the stress of work, and more mobilization in promoting work progress, and to strive to achieve new development in the second half of 1996.

Huang Ju pointed out: Under the leadership of the party Central Committee and the State Council, and through the joint efforts of the party organizations at all levels, the vast number of cadres, and the masses in Shanghai, we have realized the goal set by the municipal party committee—the goal of finishing one-half of the tasks when one-half of the time elapses—and have thus laid a foundation for accomplishing all the tasks for the whole year. Huang Ju said: Recently, the Shanghai Municipal CPC Committee has, on several occasions, listened to special-topic work reports by the municipal people's government on such work as invigorating real estate secondary market, promoting the experimental project of reemployment at selected spots, and so on. The overall requirements, set by the Shanghai Municipal CPC Committee, for the work in the second half of this year are as follows: It is necessary to always adhere to Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line. It is necessary to conscientiously and thoroughly implement the essence of the speeches made by central leaders during their inspection of Shanghai, emancipate our mind, seek truth from facts. Proceeding from the actual situation in Shanghai, we should firmly work for the two fundamental shifts, persistently build both material

and spiritual civilizations and attach equal importance to both, and handle appropriately the relations of reform, development, and stability. We should stress the priorities, work thoroughly, and emphasize the practical results. Catching on the momentum of the current stage, we should strive for new achievement in reform, development, and stability, and make new advancement in party building and in building spiritual civilization. We should further promote simultaneous development in building both material and spiritual civilization, and fully achieve the goals of this year's economic and social development.

Huang Ju made arrangements for the key work of the second half of this year. He pointed out: In order to make new achievements in reform, development, and stability, we should grasp the key points, work hard for breakthroughs, and achieve practical results. First, it is necessary to emphasize opening up of markets at home and abroad so as to maintain the momentum for economic development. Second, a higher priority should be given to deepening the reform of state-owned enterprises so as to promote supportive reform measures. We should also launch at the right time some reform measures for developing real estate market. Third, a higher priority should be given to accelerate the development of the functions and the improvement of the image of Pudong so as to make it open wider to the outside world. Fourth, a higher priority should be given to carrying out the reemployment project to maintain social stability.

Huang Ju pointed out: In order to make new progress in party building and in building spiritual civilization, we should study conscientiously and understand in-depth the essence of the important speech made by Comrade Jiang Zemin at the forum to commemorate the 75th anniversary of the founding of our party, and further improve the ideological and political education for leading bodies. We should improve the work of cadre training and evaluation, improve the party style and step up the building of clean and honest government. We should work hard to build a contingent of high quality cadres so as to provide a strong organizational guarantee for the realization of various goals. We should continuously do a good job in investigations and the research on building a spiritual civilization; firmly grasp the right direction of public opinion; continuously promote the thriving of science, technology, education, and other social undertakings; and make a new progress in building socialistic spiritual civilization in Shanghai.

Huang Ju emphasized: Currently, the tasks of reform, opening up, and modernizing Shanghai are heavy. New situations and problems emerge one after another. Leading cadres of party and government organizations at all

levels should further improve their work style, energetically encourage the practice of conducting investigations and studies, and go deep into the realities of life among the masses at the grass-roots units. It is necessary to maintain the daring spirit in exploration, the courage and devotion to practice, and a perseverance in fighting despite setbacks. It is necessary to thoroughly solve all problems, conscientiously carry out all measures, solidly do all work well, and strive to accomplish all tasks of economic and social development this year.

Chen Zhili, deputy secretary of the municipal party committee, reviewed at the meeting the situation of investigation and research on building a spiritual civilization in Shanghai in the preceding stage, and set concrete requirements for the investigation and research on building a spiritual civilization in the next stage. Municipal party and government leaders, Xu Kuangdi, Wang Liping, Chen Liangyu, and others were present at the meeting.

**PRC: Shanghai Technology Market Reports Good Economic Returns**

*OW1707083996 Beijing XINHUA in English  
0818 GMT 17 Jul 96*

[FBIS Transcribed Text] Shanghai, July 17 (XINHUA) — The technology market in east China's economic center reported one billion yuan worth of business volume in the first six months of this year.

In 1995, Shanghai's technology market reported 2.3 billion yuan worth of business volume, a net increase of 100 million yuan over the previous year.

A computer technology trading network centering around the Shanghai Technology Exchange has taken shape, boasting more than 120 members throughout the country. Meanwhile, an information network was set up to help customers from outside Shanghai obtain technology information.

Science research institutes have been encouraged by local authorities to establish connections with enterprises which, in the past year, have directly absorbed more than 7,500 scientific achievements from the science research institutes, valued at more than one billion yuan.

In 1995, the municipal government set aside 60 million yuan to establish a technology market fund to aid the enterprises lacking enough funds to buy technology from science research institutes.

**PRC: Zhejiang Congress Standing Committee Holds 28th Meeting**

*OW1507123496 Hangzhou ZHEJIANG RIBAO  
in Chinese 25 Jun 96 p 1*

[Unattributed report: "The 28th Meeting of the Provincial People's Congress Standing Committee Was Held in Hangzhou"]

[FBIS Translated Excerpt] The 28th meeting of the Zhejiang Provincial People's Congress Standing Committee was held in Hangzhou on 24 June.

Li Zemin, chairman of the provincial people's congress standing committee, presided over the meeting. Those attending the meeting included Standing Committee Vice Chairmen Xu Xinguan, Wang Qidong, Yang Bin, Li Debao, Kong Xiangyou, Zheng Shu, and Mao Zhaoxi; and Secretary General Song Yikang.

The meeting heard the "Report on Zhejiang's Second Five-Year Legal Popularization Work and Opinion on the Third Five-Year Legal Popularization Work," delivered by Zhejiang Judicial Department Director Yu Guoqiang on behalf of the provincial government. [passage omitted]

The meeting also heard the "Report on the Execution of Zhejiang's Financial Budget For 1995 and the Auditing of Other Financial Revenues and Expenditures," delivered by Zhejiang Auditing Department Director Chen Zhengxing on behalf of the provincial government; and heard a report on the results of examination of the "Zhejiang Provincial Regulations (Draft) on the Management of Scenic Spots" and "Zhejiang Provincial Procedures (Draft) For Implementing the 'PRC Law on Preventing Water Pollution,'" delivered by Xu Miaoquan, vice chairman of the provincial people's congress' law committee. The meeting also heard a report on the results of examination of the "Zhejiang Provincial Procedures (Draft) For Implementing the 'PRC Water and Soil Conservancy Law,'" delivered by Huang Rongbo, vice chairman of the provincial people's congress' law committee.

Chai Songyue, vice governor; Xue Yanzhuang, vice chairman of the provincial Chinese People's Political Consultative Conference; Xia Zhonglie, president of the provincial higher people's court; and Ge Shengping, chief procurator of the provincial people's procuratorate, attended as observers.



**PRC: Nanjing Said Succeeding in Fight Against Smuggling**

*OW1807020396 Beijing ZHONGGUO XINWEN SHE in English 1440 GMT 17 Jul 96*

[FBIS Transcribed Text] Nanjing, July 17 (CNS) — To enable the smooth reform of customs duties, Nanjing Customs have stepped up their fight against smuggling this year. So far the toughening of enforcement has had good results.

According to statistics, in the first half of this year Nanjing Customs discovered 57 smuggling cases involving RMB 324 million. The smuggled goods included motor car engines, photocopiers, computers, printers, video compact disc recorders, white sugar and refrigerator compressors.

As criminals usually place smuggled goods in containers, Nanjing Customs have begun to check more thoroughly for smuggled goods on containers at five ports under its jurisdiction. This approach has paid off, and customs officers discovered 11 containers at Xinshengwei Port being used to smuggle motor car engines, photocopiers, computers and printers.

To further strengthen their fight against smuggling, Nanjing Customs have strengthened cooperation with public security, industrial and commercial departments so that they would have more sources of information and reports. Moreover, customs decided focused on and speed up the investigation of large cases; in the first half of this year they handled 48 incidences of large-scale smuggling.

**Central-South Region**

**PRC: Guangdong 'Local Law Code' To Protect Private Enterprise**

*OW3006163096 Beijing XINHUA in English 1624 GMT 30 Jun 96*

[FBIS Transcribed Text] Guangzhou, June 30 (XINHUA) — Legislators in the capital of south China's Guangdong Province have formed the country's first local law code that proposes to protect the rights and interests of private enterprises owners.

The code, or the Regulations on the Protection of the Rights and Interests of Private Enterprises in Guangzhou City, was passed during a recent session of the city's 10th People's Congress, and granted private enterprises the same legal status as the state-owned and collective enterprises.

According to the law, the property and assets of private enterprises are legally protected, and employees of these enterprises who commit crimes such as bribery or

embezzling will be punished according to the country's "Corporation Law."

The law also stipulates that private enterprises have the right to receive loans from local banks, to purchase state-owned and collective enterprises, and to obtain land-use rights.

Also, owners and employees of these enterprises are given the rights to participate in any judgment on titles of technical and professional posts, and to compete equally for any honorable titles with those employees of the state-owned enterprises.

Guangzhou has seen a boom in its private economy over the past few years. The city has had 16,400 private enterprises and 192,000 individually-run businesses whose output value topped one billion yuan (about 120 million US dollars) in the first quarter of this year.

However, a growing number of private enterprises are often victims of corporate crimes.

**PRC: Guangdong Starts Satellite Television Transmission**

*OW1707061896 Beijing XINHUA Hong Kong Service in Chinese 0640 GMT 15 Jul 96*

[From "Education, Science, Cultural News Briefs"]

[FBIS Translated Excerpt] Beginning 8 July, Guangdong television and radio each started transmitting a program by satellite not only to all of Guangdong Province, but also to 53 countries and regions in the world.

The Guangdong Satellite Television Broadcasting Service and the Guangdong Satellite Radio Service officially started transmitting today via the "AsiaSat 2" telecommunications satellite. The transmission from the two services can reach 2 billion people in areas east to the Pacific Ocean, north to Russia, west to Africa and eastern Europe, and south to Australia and New Zealand. [passage omitted]

**PRC: Guangdong Formulates Measures To Control Electrical Imports**

*OW1807152196 Beijing ZHONGGUO XINWEN SHE in English 1419 GMT 18 Jul 96*

[FBIS Transcribed Text] Beijing, July 18 (CNS) — Guangdong Province will impose restrictions on the importation of any electro-mechanical products which China is capable of producing domestically.

Guangdong authorities will concentrate most heavily on the restriction of imports which hold a virtual monopoly or large share of the domestic market.

A government meeting was held recently to finalise Guangdong's policy on the management of electro-mechanical imports.

Colour duplicating machines, computers and computer monitors will be subject to import regulations. Quotas have been placed on the importation of cars, motorcycles and their component parts, and only a handful of enterprises will be allowed to receive these goods. The qualified enterprises can also import the chassis and bodywork of ten-seater vehicles, which are no longer subject to quotas, but they must register all imports. Strict controls have been imposed on the importation of household air-conditioners and washing machines, which can be produced domestically.

Guangdong will strengthen coordination between the organisations involved in enforcing the new regulations, including the Ministry of Foreign Trade and Economic Cooperation, Customs, the foreign exchange administration, banks and the local industrial and commercial administration. Figures and data on electro-mechanical imports will be exchanged and circulated among these.

Guangdong enterprises are encouraged to stage exhibitions and trade fairs to promote their electro-mechanical products at home and abroad, in order to increase the size of their order books. Guangdong also plans to set up an import and export chamber for electro-mechanical products.

#### **PRC: Hubei Holds Meeting on Peasants' Burdens**

SK1907114996 Wuhan HUBEI RIBAO in Chinese  
28 Jun 96 pp 1,2

[By Reporter He Guanghua (0149 0342 5478)]

[FBIS Translated Text] A provincial meeting was held in Wuchang on 25-26 June to report on the enforcement of a law to reduce peasants' burdens. Jia Zhijie, secretary of the provincial party committee, Governor Jiang Zhuping, and Yang Yongliang, deputy secretary of the provincial party committee, attended and addressed the meeting. Wang Shengtie, member of the Standing Committee of the provincial party committee and vice governor, presided over the report meeting.

Beginning 10 June, Hubei Province sent six groups to all parts of the province to conduct a two-week inspection on the enforcement of a law to reduce peasants' burdens. Comrades of the inspection group went deep into the masses and into the realities of their lives, traveled to villages and households to visit and hold talks with peasants, checked their contracts, examined their account cards, and calculated their financial burdens. They basically figured out the situation of peasants' burdens and provided an accurate, scientific report and

offered valuable policy suggestions for the provincial party committee and government.

As related by the comrades of the inspection group, party committees and governments at all levels across the province have acted in line with the demands of the central and provincial authorities, attended to reducing peasants' burdens, adopted a resolute attitude and effective measures, and achieved expected results for a designated period. The guidelines of relevant documents have been relayed; the situation of random collection of funds, donations, and charges is being reversed; and the contracted amount of peasants' burdens in most localities have been controlled within the stipulated quotas. The responsibility system for reducing peasants' burdens has been universally established, new progress has been made in institutionalizing and standardizing a management system for the burdens, and the masses of peasants are very pleased with the efforts of the party and government to grasp the burden reduction work.

Comrades of the inspection group also pointed out: At present, we still have much to do to implement policies, laws, and regulations concerning reduction of peasants' burdens. Leading comrades in some localities lacked a profound understanding of the work to reduce the peasants' burden, and some set the work against accelerating the building of rural economy and social development; some overestimated the degree of prosperity of peasants and their capacity to withstand the strains, failed to manage things in line with their capability, and failed to completely check the formalistic activities on "attaining the required standards and upgrading;" some departments paid greater attention to their own interests, gave less consideration to the interests of the peasants and used administrative means to forcefully collect donations and goods from peasants. In implementing policies, discipline violations occurred frequently and some localities collected taxes, fees, and accumulated funds from peasants above the set quotas; some added extra financial items or raised the quota not listed in the contracts and some localities even carried out "two different contracts" and additional accounts; some localities collected taxes from peasant households ahead of schedule, thus aggravating the debts of peasant households and the collectives.

After listening to briefings given by the comrades of the inspection group, Jia Zhijie said: Since the beginning of this year, in connection with the supervision and management of peasants' burdens, all levels have issued many documents and held many meetings on this; leaders have also given many speeches on this and the results have been noticeable. However, there are still some problems we should not neglect. Fundamentally speaking, the party Central Committee and the State Council



have been paying such great attention to protect peasants' enthusiasm. In recent years, Hubei's situation has been good. In a final analysis, it was attributable to the good agricultural situation, the good rural situation and good agricultural situation, all of which mainly depended on peasants' enthusiasm. Therefore, we should attend to the issue of reducing peasants' burdens from the perspective of paying attention to the safety and danger of the nation and the stability of the state.

Jia Zhijie said: Fundamentally speaking, to reduce the peasants' burdens we should rely on developing the economy. However, economic development needs a process. At present, we have many things to do. Most of the peasants are not very wealthy. If we ask them for money, how can they withstand the strain? So we must unswervingly implement the policies, laws, and regulations of the party Central Committee and State Council to reduce these burdens; uphold the standard of rational burdens; resolutely correct those that go against the standard; and strictly investigate and handle those who violate the law. In short, we must reduce the irrational burdens of peasants, protect their enthusiasm, and consolidate and develop the excellent situation in the rural areas.

Jiang Zhuping gave a speech on the policies to reduce the peasants' burdens. He said: Regarding some problems reflected by this inspection, the central and provincial authorities have issued explicit regulations. Thus, we should regard the policies, laws, and regulations to reduce the peasants' burdens as a strict political discipline. We should strictly examine all items on the collection of funds in rural areas. In view of the fact that many localities have suffered disasters during this year's summer harvest, disaster-combating and production tasks will be very heavy. In order to guarantee investment in autumn production, we should stop examining and approving all items on the collection of funds, except for funds needed for renovating dangerous school buildings. As for those items that have been approved, we should distinguish between the different situations and reverify them. Regarding items which have not been approved, we should comprehensively sort them out and should investigate and handle them strictly. We should strictly check the practice of replacing labor with money and should persist in making people participate in voluntary labor; as for some items which need unified efforts to organize machines to do the construction work and to find people willing to carry them out, we should examine these items in line with the stipulated procedures and obtain approval from a higher level.

Jiang Zhuping stressed: It is not allowed to use administrative means to forcefully carry out the rural insurance program. Insurance program in schools should

be carried out in line with the stipulations of relevant documents, and should be handled by students or their parents at insurance departments on a voluntary basis. School authorities are not allowed to handle them on a commission basis. Regarding the rural old-age pension insurance and property insurance, we should conduct propaganda and give guidance, and should allow the masses to cover insurance of their own free will. It is not allowed to forcefully assign the insurance task to people in the name of the government.

Jiang Zhuping said: The method of making each level assume the responsibility of paying taxes for hogs slaughtered and for sharing tax payments equally to all households should be abolished; taxes should be collected in line with the actual number of hogs slaughtered by each household. It is forbidden to collect deposits for fulfilling the planting plan or to collect fines from the production sector. We should resolutely stop collecting all unwarranted donations not carried in the contracts or make additional accounts, thus aggravating the burdens of the peasants.

Yang Yongliang said: To reduce the burdens of the peasants, we should stress politics and political discipline, and should possess political sensibility. The party Central Committee has approached this issue from the perspective of "whether we should pay attention to peasants, agriculture, and stability." Regarding the burdens of the peasants, some localities kept "two different accounts," which cheated not only the organizations but also the people. This way of doing things is absolutely wrong. Whether or not a party member or cadre stresses party spirit and politics is an indication of whether he handles the problems concerning the burdens of the peasants in line with the central spirit. Party committees and governments at all levels, as well as relevant departments, should act in line with the central stipulations and demands; unify their thinking and action; enforce orders and prohibitions; and maintain a high degree of political unity with the party Central Committee.

Concerning the policy issue on the peasants' burdens, Wang Shengtie emphasized the 10 regulations issued by the provincial party committee and government, and made arrangements and plans for continuously grasping the next step of work on reducing the peasants' burdens.

**PRC: Hubei Secretary, Governor on Enterprise Reform**

SK2606112796 Wuhan Hubei People's Radio Network  
in Mandarin 1000 GMT 25 Jun 96

[FBIS Translated Text] The provincial work conference on the reform of small enterprises was held in Wuhan on 25 June. This conference was primarily devoted to

profoundly studying and implementing the guidelines of Comrade Jiang Zemin's important speech on successfully running state-owned enterprises and to concentrate on studying the issues of deregulating and enlivening small enterprises and accelerating the reform of small enterprises. The conference called on all localities in the province to further emancipate their minds, enhance morale, and boldly explore to create a successful path of invigorating small enterprises.

The conference was presided over by Jia Zhijie, secretary of the provincial party committee. Jia Zhijie and Jiang Zhuping each spoke at the conference. Attending the conference were leading comrades Yang Yongliang, Xiao Quantao, Wang Shouhai, and Wang Qigang. Representatives of the conference participants earnestly listened to a report by Comrade (Yang Qichang), vice mayor of Zhucheng City in Shandong Province. In his report, (Yang Qichao) comprehensively introduced the fresh experiences gained by Zhucheng City in reforming small enterprises. His report earned warm applause.

In his speech, Jiang Zhuping introduced the current trends in the province's reform of state-owned enterprises. He pointed out: Thanks to efforts in all areas, the province has made new progress in reforming state-owned enterprises. In the field of grasping large enterprises, the reform of the 45 large enterprises that are the first group in the province selected to experiment with the modern enterprise system has proceeded in a comprehensive way. More than 400 large and medium-sized enterprises have turned themselves into limited shareholding corporations. In the field of deregulating small enterprises, an upsurge of enterprise reform, with reform of property rights system as the base, and with the shareholding system and the shareholding cooperative system as the major forms, has been set off among the province's small enterprises. Thus far, 63,000 small enterprises in the province have adopted the shareholding cooperative system, with their share of capital totaling 9.3 billion yuan. In addition, some 5,600 small enterprises have carried out the systems of leasing, contracting, and being owned by the state but operated by the people; and some 5,800 small enterprises have been merged with others. As a result, more than 2 billion yuan in stock assets have been enlivened. The continued deepening of the reform of small enterprises has played a key role in increasing the vitality of enterprises, expanding the business of enterprises, and bringing about a sustained, rapid, and sound development of the province's economy.

Jiang Zhuping said: While fully affirming the achievements scored in the preceding stage of enterprise reform, we must clearly notice that at present considerably more small enterprises in the province are still equipped with

inflexible mechanisms and still lack vitality, and that they face many difficulties in the process of development. First, many are suffering losses and have poor economic efficiency. Second, their asset situation has worsened. Third, they have difficulties in production and operation, with some of them halting production completely or half the time, and thus many workers live in straitened circumstances. The problems currently prevailing among small enterprises must attract the high attention of party committees and governments at all levels. On no account should these problems be neglected. The reasons for these problems are many. Basically speaking, however, these problems result from a lack of dynamics in reform and from the failure to put reform measures in place. Hence, to extricate small enterprises from their difficult position, we must further increase the dynamics of reform and accelerate the pace of reform.

Jiang Zhuping also expressed opinions on the urgency of accelerating the reform of small enterprises and on the issue of boldly practicing and actively exploring diverse ways to enliven small enterprises.

Comrade Jia Zhijie also spoke at the conference. He pointed out: We should deeply study and implement the guidelines of the important speech made by Comrade Jiang Zemin and further understand the importance of the work on deregulating and enlivening small enterprises. Small enterprises are the economic cells with the greatest vitality, the major source of local financial revenues, and the mainstay of the county economy. Therefore, further deregulating and enlivening small enterprises and increasing the reform dynamics of small state-owned enterprises is the internal requirement for optimizing the organizational structure of the province's enterprises and changing the economic structure and growth pattern; the essential requirement in promoting the reform of state-owned enterprises and invigorating the entire economy; and the major condition for dispelling social contradictions and safeguarding social stability.

Jia Zhijie said: The general demand in the reform of small enterprises is to effect a big turn for the better this year, make a big breakthrough next year, and achieve remarkable results the year after next. Specifically, this year our efforts should focus on experimentation. In addition to the 10 strong counties and cities directly handled by the provincial authorities and the areas covered by the pilot comprehensive reform, all other prefectures and cities in the province should also pay attention to experimenting with small enterprise reform so that reform will spread across the province.



Jia Zhijie emphatically pointed out: The key to deregulating and enlivening small enterprises lies in further emancipating the mind. At present, the major ideological obstacles can be seen in the following four worries: 1) worry about privatization; 2) worry about the loss of state-owned assets; 3) worry about unfair distribution; and 4) worry about [words indistinct]. Therefore, we should further change our ideas, draw distinctions in accordance with policy, and seek a unity of ideas and understanding. Party committees and governments at all levels, as well as all leading comrades in enterprises, must bring their ideas in line with Comrade Deng Xiaoping's criterion of distinguishing between right and wrong based on whether a thing is conducive to developing productive forces, enhancing comprehensive national strength, and improving people's living standards. They should also bring their ideas in line with the three criteria of the provincial party committee and the government: to ensure the maintenance of state-owned assets, ensure production and operation of enterprises, and ensure the [words indistinct] of workers. So long as a move meets these three criteria, it can be tried. We should be bold in exploring new methods and doing everything so that we can bring about a great development in the reform of small enterprises with the great emancipation of the mind.

Jia Zhijie added: We should cast our eyes over the overall situation, firmly grasp key aspects, and strive to make new breakthroughs in the reform of small enterprises. At present, we should emphatically make breakthroughs in the following areas: First, we should make a new breakthrough in changing the mechanism of enterprises by deregulating and invigorating small enterprises through diverse methods, emphasizing spreading the shareholding cooperative system. Second, we should make a new breakthrough in social reform by rapidly changing the functions of the government and unfailingly establishing the social security system. Third, we should make a new breakthrough in structural reform by changing enterprises' mechanisms and reorganizing and innovating. Fourth, we should make a new breakthrough in popularizing the experience of Handan Iron and Steel Complex and in strengthening scientific management. Fifth, we should make a new breakthrough in building good leading bodies among small enterprises.

Jia Zhijie concluded: Party committees and governments at all levels in the province should consider reform of state-owned enterprises the focus of economic work at present and in the future, like they do in grasping agriculture. They should also strengthen leadership, meticulously conduct organization, and appropriately conduct coordination with a view to constantly deepening the

reform of small enterprises and achieving solid results with it.

#### PRC: Hunan Governor Speaks on Economic Reform

OW2006115596 Changsha HUNAN RIBAO  
in Chinese 7 Jun 96 pp 1, 2

[By reporter Li Guanghua (2621 0342 5478)]

[FBIS Translated Excerpt] On 6 June, a provincial meeting on the work of economic structural reform was held at the auditorium of the provincial party committee. This meeting was of great significance to the overall situation. Li Tieying, member of the Political Bureau of the CPC Central Committee, State Councillor, and concurrently minister of the State Commission for Restructuring Economy, has attached great importance to the reform of our province. He made a special trip to attend the meeting and will deliver an important speech.

Wang Maolin, secretary of the provincial party committee, Hong Hu, vice minister of the State Commission for Restructuring Economy, Wang Keying, member of the standing committee of the provincial party committee and executive vice governor, and other leading comrades attended the meeting. Yang Zhengwu, deputy secretary of the provincial party committee and governor, made an important speech at the meeting. The meeting was chaired by Chu Bo, deputy secretary of the provincial party committee.

In his speech, Comrade Yang Zhenwu comprehensively reviewed the situation in economic structural reform in Hunan during the Eighth Five-Year Plan Period, put forward the general guiding ideology and major targets and tasks for economic structural reform in Hunan during the Ninth Five-Year Plan period.

Yang Zhengwu said: During the Eighth Five-Year Plan period, the whole province persisted in taking reform as a powerful force to propel economic and social development, emancipated the mind, made bold explorations, and achieved important development in comprehensively pushing forward economic structural reform in various fields. The trend for reform was shifted from the general delegation of power and handing over lesser benefits to changing the operational mechanism and renovating the enterprise system. Experiments on the establishment of a modern enterprise system started in a comprehensive manner. [passage on details of experiments omitted]

Medium-sized and small enterprises adopted various methods of changing the operational mechanism and made relatively big progress in merging, combining, bankruptcy, running state-owned enterprises by local

people, separating enterprises from parent enterprises, leasing, contracting, "reducing secondary industry to expand tertiary industry [tui er jin san 6622 0059 6651 0005]," and so on. [passage omitted giving examples]

New progress was made in rural reform. The bi-level operational structure was constantly perfected. On the basis of stabilizing and perfecting the system of contracted responsibilities linked with output on a household basis, efforts were focused on the compensated transfer of land-use rights, the establishment of trade-industry-agriculture operational organizations, the management structural reform of small towns and cities, the development of the rural shareholding cooperative system, and the perfecting of the rural social service system. The reform of the circulation system continued to develop at a deeper level, and the market system developed in a comprehensive manner. During the Eighth Five-Year Plan period, Hunan took an important step forward in price reform, and the corresponding reform of the circulation structure of some important commodities was also carried out. At present 90, 79, and 80 percent, respectively, of total social commodity retailed volume, the total volume of the procurement of agricultural products, and the total volume of the sale of the means of production in the whole province use prices regulated by the market and the market mechanism is playing a greater and greater role in the distribution of resources. The methods of "three contracts, one delegation [san bao yi xia fang 0005 0545 0001 0007 2397]" and "double-line management" were used for the management of grain. New progress was made in the structural reform of state commerce, materials, supply and marketing, and foreign trade. Experiments on the agency system, chain stores, and other modern methods of circulation were also energetically carried out. The macroeconomic management structure took a substantial step forward, and the regulation and control system with indirect regulation and control as its dominant factor was initially formed. In taxation reform, tax-sharing reform was carried out and the circulating-tax system with value-added tax as its main body was established. The reform of the banking system strengthened the macroeconomic regulation and control function of the people's bank and specialized banks began to change into commercial banks. In addition, the reforms of the pension and housing systems, and the reforms of the science and technology management system, education, culture, public health, and sports, also made important progress, and the reform of the organizational structure also developed smoothly. [passage omitted]

Yang Zhengwu pointed out: [passage omitted on higher demands in the future] During the Ninth Five-Year Plan period, the guiding ideology for the economic struc-

tural reform of the whole province is: Uphold Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, comprehensively implement the guidelines of the Fifth Plenary Session of the 14th CPC Committee in light of the realities of our province, further emancipate the mind, change concepts, energetically promote the shifts in the economic structure and the mode of economic growth, correctly handle the relationship between reform, development, and stability, comprehensively promote various reforms taking the reform of state-owned enterprises and promoting the industrialization of agriculture as key points, strive to raise the level of opening to the outside world, and promote the sustained, rapid, and healthy development of the national economy. By the year 2000, initially establish the socialist market economic structure through Hunan; basically establish a modern enterprise system in large and medium-sized state-owned enterprises; basically form an industrialized agricultural management structure; initially establish a macroeconomic regulation and control system with indirect regulation and control as the dominant factor; and basically set up a multi-level social insurance system that can meet the needs of the socialist market economy.

Yang Zhengwu emphatically pointed out: [passage omitted on difficulty of fulfilling the above tasks] In accordance with the realities of our province, we must make efforts to properly carry out the following reforms during the Ninth Five-Year Plan period. First, concentrate efforts on making breakthroughs in the reform of state-owned enterprises and properly run the entire economy under state ownership. [passage omitted stressing importance of state-owned enterprises in the national economy] Second, continue to carry out the rural reform at a deeper level and establish an industrialized agricultural management structure. We must, in accordance with the requirements of building Hunan into a powerful agricultural province, basically establish a market agricultural structure regulated and controlled by state policies, gradually include agriculture into a unified market economy structure, and make great effort to promote the building of an industrialized agricultural management structure. [passage omitted on importance of agricultural industrialization] Besides, we must continue to properly carry out comprehensive reform experiments in rural areas, with the focus on 35 comprehensive experiments of small towns and cities arranged by the state and the province, and continue to properly carry out work in comprehensive reform experimental zones and comprehensive reforms at the county level. Third, promote all other reforms and comprehensively promote the change of the economic structure. 1. Further carry out the circulation structural reform at a deeper level and energetically develop a



market structure. The key point is to further reform and perfect the circulation structure of grain, cotton, tobacco, and other agricultural products, and that of major means of production, such as chemical fertilizer, insecticide, and so on. 2. Further speed up the reform in the macroeconomic field and constantly perfect the macroeconomic regulation and control structure with indirect regulation and control dominating. 3. Further promote the reform of the social insurance system and the housing system and form a multi-level social insurance system. [passage omitted stressing leadership and emancipation of the mind in fulfilling tasks]

In conclusion, Yang Zhenwu pointed out: At present, reform, opening up, and economic construction of our province have entered a new stage. The task of initially establishing a socialist market economy structure by the end of this century is arduous and heavy. We must further emancipate the mind, go all out in work, blaze new trails, unswervingly push reform forward, and strive to open up a new situation in the reform and development of our province during the Ninth Five-Year Plan period.

At the meeting, Changsha city, Yiyang city, and other places reported on their experience. The commissioners, prefectural heads, and mayors of various prefectures, secretaries and heads of various counties, cities, and districts, and principal leading personnel of departments directly under the provincial government, and some enterprises and establishments, also attended the meeting.

**PRC: Li Peng Tours Flood-Stricken Hunan, Hubei Provinces**

OW2107134196 Beijing XINHUA in English  
1329 GMT 21 Jul 96

[FBIS Transcribed Text] Beijing, July 21 (XINHUA) — Chinese Premier Li Peng has toured flood-stricken Hunan and Hubei Provinces in central China to express his sympathy and concern for the flood victims and oversee the relief work there.

The Premier, on behalf of the Chinese Communist Party Central Committee, the State Council and President Jiang Zemin, extended regards for the people affected by the floods, particularly the People's Liberation Army officers and soldiers, the armed police and the public security forces who are battling the raging waters.

Since July, torrential rains have caused serious flooding in the middle reaches of the Chang Jiang River and Dongting Lake Valley. Water levels in the flooded areas have surpassed the danger mark.

Yesterday, Premier Li Peng and Vice-Premier Jiang Chunyun flew to the most seriously-hit areas in Taiyuan

County in the Dongting Lake region to visit the flood victims and relief workers.

Today, they went on to Wuhan, capital of central China's Hubei Province, to inspect the relief efforts along the embankments of the Chang Jiang River and give speeches on combating the floods.

Li Peng said that the flood-stricken people, under the leadership of provincial Party committees and governments, have been successful so far in their fight against the severe flooding.

The Premier urged them to be on the alert in their drive against heavy flooding. He called on local residents to be confident about conquering the floods, and to start reconstruction and the restoration of crop production where the flood has receded, so as to have a bumper harvest in spite of the flooding.

**PRC: Officials Note 5 Million Fighting Floods in Hunan Province**

OW1907154596 Beijing XINHUA in English  
1453 GMT 19 Jul 96

[FBIS Transcribed Text] Changsha, July 19 (XINHUA) — Five million civilians and soldiers have been taking part in the fight against rising water in central China's Hunan Province, it was learned here today.

Sources said that 500 inflatable boats, 3,000 life preservers, and 2,000 lifebuoys have been delivered to Changsha, capital of Hunan, for relief work. Military aircraft have been used for dropping relief materials since July 17.

The PLA [People's Liberation Army] soldiers, armed police, and local police have joined local people in dealing with 20,000 dangerous situations. A pontoon bridge group was sent to help rescue people who were stranded by flooding, sources said.

A group sent by the Party Central Committee and the State Council arrived at the disaster-stricken area on the evening of July 17 and began directing the operation.

Sources say that heavy rains have pushed the Chang Jiang River in the region to 2.5 meters above the danger mark.

The Zishui and Yuanshui, both tributaries of the Chang Jiang in Hunan, have experienced their highest flood waters in 30 years, with the Zishui setting a record of 46.9 meters at two a.m. Today [capitalization as received].

Dongting Lake, China's biggest fresh water lake, which is on the middle reaches of the Chang Jiang in Hunan, is also overflowing, but with its level still rising. The

lake's water level went above the danger level of 32 meters on July 2.

Flood disasters have been occurring since late June when heavy rains started to fall. The floods had claimed at least 716 lives by July 18, an official of the Ministry of Civil Affairs said today.

The Chinese Communist Party Central Committee and the State Council held a meeting on the situation today, at which President Jiang Zemin asked local governments to consider the fight against the flooding as a priority.

### Southwest Region

#### PRC: Guizhou Secretary on High-Quality Cadres

OW2107132896 Guiyang GUIZHOU RIBAO  
in Chinese 7 Jul 96 p 1

[Article by GUIZHOU RIBAO reporter Zhang Lin (1728 7787): "The Guizhou Provincial Party Committee Holds Standing Committee Meeting To Study Jiang Zemin's Important 1 July Speech; Liu Fangren Calls for Building a Contingent of High-Quality Cadres To Accomplish the Magnificent Cross-Century Goals"]

[FBIS Translated Excerpt] The Guizhou Provincial CPC Committee held a standing committee meeting on the morning of 6 July to study and implement General Secretary Jiang Zemin's important speech given at a forum marking the 75th CPC anniversary and to discuss ways to successfully carry out the building of cadre ranks in our province.

Secretary Liu Fangren of the provincial party committee chaired the meeting.

Attending the meeting were Chen Shineng and Wang Siqu, deputy secretaries of the provincial party committee; Wang Guangxian, Yuan Ronggui, Li Wanlu, Wang Shouting, Xia Guohua, Bu Zhixin, and Wang Sanyuan, standing committee members of the provincial party committee; Long Zhiyi, chairman of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC]; Chen Yuanwu, vice chairman of the provincial people's congress standing committee; Zhang Yuqin, Gong Xianrong, Mo Shiren, Lou Jiwei, vice governors; Zhong Liming, commander of the provincial military district; and responsible comrades of other departments concerned.

Participating comrades earnestly studied and discussed General Secretary Jiang Zemin's important speech, "Work Hard To Build a Contingent of High-Quality Cadres," in light of Guizhou's practice. They presented many constructive views and suggestions on using the speech as a guide to successfully building Guizhou's cadre ranks.

Comrades attending the meeting pointed out: In his important speech, General Secretary Jiang Zemin profoundly elaborated, from an overall and strategic perspective, the utmost importance of building a contingent of high-quality cadres and further clarified the guiding ideology, principal tasks, and basic requirements for building cadre ranks at present and for some time to come. The speech points not only the direction for cadre work in the new situation, but also the path for young cadres to develop soundly. [passage omitted]

Toward the closing of the meeting, Liu Fangren made three demands based on speeches made at the meeting and in light of Guizhou's reality:

#### I. Earnestly Study General Secretary Jiang Zemin's Important Speech and Profoundly Recognize the Great Significance of Building a Contingent of High-Quality Cadres

First, in order to uphold the party's basic line and not waver from it, even for 100 years, we must have a contingent of high-quality cadres. Second, to realize Guizhou's magnificent cross-century goals, we must have a contingent of high-quality cadres. Third, judging from the current condition of cadres in our province, raising the quality of our cadres has become a task that brooks no delay. Since the Third Plenary Session of the 11th CPC Central Committee and particularly since the 14th National Party Congress, party organizations in our province have upheld the guideline requiring the party to manage its cadres well. We earnestly implemented the policy of making cadres more revolutionary, younger in average age, better educated, and professionally more competent as well as the principle of requiring cadres to have both ability and political integrity. This has strengthened the building of the cadre ranks. Generally speaking, the quality of our cadres is good, and cadre work is sound. However, as the situation develops, the building of our cadre ranks has lagged in many areas, particularly if measured by what is required in General Secretary Jiang Zemin's speech. Some of the characteristics of cadres pointed out in the general secretary's speech, especially the five kinds of ideological and political manifestations that are not compatible with the situation and tasks, exist to varying degrees among our cadres. In some aspects, the problems are even more serious. For example, some cadres lack a strong pioneering spirit and dedication to the revolutionary cause. Their mental states are poor, and they are afraid of difficulties. As a result, they can accomplish little. Some are superficial in their work style. They are divorced from reality and the masses and are guilty of serious bureaucracy and formalism. Some are preoccupied with personal gain, trying in every possible way to establish



connections and seek official positions. Some have inferior ideological-political standards, abuse power for personal gain, and are morally corrupt. Some have even become criminals. Some leading bodies have done a poor job of upholding democratic centralism, failing to discuss major issues that ought to be discussed and making decisions arbitrarily. Some members of leading bodies implement only the decisions reached by the organization that accord with their wishes and use every excuse not to earnestly implement those that do not accord with their wishes. They persist in their own ways of doing things. All this must have our utmost attention. We must deepen the study to understand General Secretary Jiang Zemin's important speech, use the speech as our guide to raise the quality of cadres in our province, and work hard to do a good job of building our cadre ranks.

**2. Use the Speech's Guidelines To Raise the Quality of the Cadres in Our Province to a New Level**

1. We must focus on ideological-political construction to comprehensively raise the quality of our cadres, especially the quality of leading cadres at all levels. [passage omitted]

2. We must take additional steps to temper our cadres in practice. [passage omitted]

3. We must uphold the correct personnel orientation and take additional steps to do a good job of selecting and promoting cadres. [passage omitted]

4. We must take additional steps to strengthen the building of leading bodies at all levels. [passage omitted]

5. We must take additional steps to do a good job of training outstanding young cadres. [passage omitted]

**III. Meticulously Organize Our Efforts, Take the Reality Into Consideration, and Further Deepen the Study of the Speech in Our Province**

At present, party organizations at all levels in our province must treat the study of General Secretary Jiang Zemin's 1 July speech as an important task of political education. We must act in accordance with the provincial party committee's instructions, strengthen leadership, meticulously organize the effort, take reality into consideration, and deepen the study drive. Core study groups of party committees (organizations) at all levels must organize people to study the speech, paying close attention to the guidelines. Leading cadres at all levels, especially leading cadres at and above the county and departmental level, must take the lead in studying the speech to produce better results.

**North Region**

**PRC: Beijing Lifts Minimum Wage Standard**

OW1607085896 Beijing XINHUA in English  
0707 GMT 16 Jul 96

[FBIS Transcribed Text] Beijing, July 16 (XINHUA) — To ensure workers earn enough money to feed their families, the Beijing municipal government has once again raised the minimum wage.

Beginning July 1, the minimum hour's pay was lifted to 1.60 yuan from 1.40 yuan, and the monthly pay to 270 yuan from 240 yuan.

China introduced a minimum wage system in 1994. The Ministry of Labor has urged all provinces, autonomous regions and municipalities to work out a bottom line for workers' wages, in accordance with local conditions.

On November 23, 1994, Beijing Municipality issued regulations governing minimum wage requirements, with the minimum hour's pay set at 1.10 yuan and the monthly pay at 210 yuan.

A recent survey conducted by the State Statistics Bureau shows that 18 percent of Beijingers make less than 500 yuan a month, and the average monthly income for urban workers was 460 yuan last year.

**PRC: Beijing City Tightens Regulation of Transient Population**

OW1807063396 Beijing XINHUA in English  
0614 GMT 18 Jul 96

[FBIS Transcribed Text] Beijing, July 18 (XINHUA) — The Chinese capital has tightened the reins on its three million-strong transient population, by investigating and subsequently prohibiting some of the 21 living spaces and 179,683 rooms occupied by members of this group.

According to reports from a working conference on the local transient population held in Beijing Wednesday [17 July], during the first half of this year, the city engaged in a strict check of the 21 villages and removed 1,597 rooms that were built without official permits.

The local authorities also strengthened security around the campuses of about 60 universities, and banned 280,000 illegal peddlers.

Meng Xuenong, vice-mayor of the city, required governments at all levels to improve their management of the floating population in a bid to maintain a good social order in the capital.

The transient population has been problematic in China, as it causes security and management problems in cities.

Beijing, with a permanent population of 11 million, requires official work permits and resident cards from outsiders who want to work in the city.

### Northeast Region

#### PRC: Heilongjiang Governor on Correcting Unhealthy Trends

*SK2007064096 Heilongjiang People's Radio Network in Mandarin 1000 GMT 19 Jul 96*

[FBIS Translated Excerpt] The three-day provincial work conference on correcting the unhealthy trends within trades ended in Daqing city on 19 July.

At the conference, Tian Fengshan, governor of the provincial government, gave an important speech entitled "Intensively and Effectively Correct Unhealthy Trends and Create a Good Environment for Reform, Development, and Stability."

Governor Tian Fengshan said in his speech: Through the concerted efforts of the people from higher levels on down across the province, we have made greater achievements in correcting the unhealthy trends within departments and trades. The province as a whole has paid special attention to handling problems that the masses strongly complain about, such as wantonly collecting charges; using public funds for overseas trips; and office, party, and government cadres engaging in trade and running enterprises. Since the beginning of this year, the province has attached importance to eliminating problems, such as the wanton collection of fines and tolls and the wanton establishment of highway checkpoints, the wanton collection of charges from primary and middle school students, and the wanton apportioning of expenses from the peasants. The province as a whole has dismantled 129 checkpoints on highways; and investigated and handled 347 such cases. It checked 175 instances of wanton collection of charges from primary and middle school students, involving more than 47.14 million yuan. The province as a whole checked 456 items on wanton collection of charges from the peasants, of which 418 items have been corrected, thus reducing the peasants' burdens by more than 53.77 million yuan.

Tian Fengshan stressed: Although our province has made appropriate achievements in correcting such unhealthy trends, we still fail to meet the requirements of the party Central Committee and the State Council and the expectations of the masses. Generally speaking, unhealthy trends within departments and industries have not been fundamentally checked, and some deep contradictions and problems have not been effectively eliminated. We have not done enough to consolidate existing achievements. Some unhealthy trends even re-

occur. The unhealthy trends in some departments and industries are still very serious. The masses have strong complaints about this.

Tian Fengshan said: We should deeply understand the protracted nature, arduousness, and urgency of the work related to the correcting unhealthy trends; persist in the central guiding ideologies, basic policies, and work patterns related to the anticorruption struggle; conscientiously and especially eliminate the prominent problems that seriously affect economic development and the relationship between the party and the masses and between cadres and the masses; expand the dynamics of getting at the root of these problems; exert efforts to consolidate existing achievements and prevent a reoccurrence of these problems; strive to fulfill the tasks as defined at the beginning of the year; ceaselessly make new, greater achievements; and create a good environment for accelerating economic development and smoothly implementing the Ninth Five-Year Plan. [passage omitted]

#### PRC: Liaoning Top Leaders on Economic Situation

*SK0807140896 Shenyang LIAONING RIBAO in Chinese 19 Jun 96 p 1*

[By reporter Ke Zhenjie (0668 2182 2638)]

[FBIS Translated Text] The provincial key leading group for consultations on economic and social development strategies held its first meeting at the Liaoning Youyi Guesthouse in Shenyang on 17 June. Provincial leaders Gu Jinchu, Wen Shizhen, and Zhang Guoguang were present. The main subject discussed at the meeting was a request for the members of the leading provincial group for consultations on economic and social development strategies, as well as former provincial leaders, to discuss issues related to the province's industrial, agricultural, and economic development.

At the meeting, Governor Wen Shizhen and some veteran comrades first reported on the province's current industrial, agricultural, and economic development situation. Wen Shizhen said: The province's current economic situation can generally be summarized in two sentences: First, the development trend is stable. Second, industries are not operating in a high-quality manner and there are declines in economic results. The situation can specifically be shown as follows: A good rural economic development trend has been maintained. Spring plowing progressed at a faster speed and in a high-quality manner. The area sown in grain increased slightly. Seedlings were growing well. All this has laid a good foundation for reaping this year's harvests. Noticeable achievements were made in repairing projects damaged by floods. As of the end of May, the province had spent 424 million yuan on repairing more than 12,000



hectares of farmland damaged by floods. Industries saw steady increases. In the first five months of this year, the sales output value of industrial enterprises at or above the township level came to 117.56 billion yuan, up 6.7 percent over the same period last year; their products' sales rate reached 92.9 percent; and their added value reached 35.703 billion yuan, up 4.2 percent over the same period last year. State-owned large and medium-sized enterprises saw steady increases in production. As of the end of May, the added value realized by these enterprises came to 24.63 billion yuan, up 4.9 percent over the same period last year; and their products' sales rate reached 95.7 percent. New headway was made in deepening reform, the pace of optimizing the capital structure on a trial basis was accelerated, great headway was made in merging enterprises and implementing the law governing enterprise bankruptcies, and the dynamics of reforming state-owned enterprises' property rights and management methods was expanded. Now, 63 percent of the province's small enterprises have carried out reform. New achievements were made in using foreign capital. In the first five months of this year, the province approved the establishment of 1,099 foreign-funded enterprises with a total investment of \$4.8 billion, an increase of 207.7 percent over the same period last year. Both the banking situation and market prices were stable. In the first five months of this year, the province's revenues totalled 6.265 billion yuan, up 16.2 percent. As of the end of May, the savings deposits of banking organs across the province increased by 12.95 billion yuan over the same period last year, an increase of 66.2 percent. The retail price index rose by 6.7 percent over the same period last year, and the increase was reduced by 11.3 percentage points.

Wen Shizhen said in his report: The most prominent problem related to the province's economic development is that industries are operating in a low-quality manner, and their economic results are reduced. The agricultural foundation is weak, and its disaster-combat capability is low. Due to the readjustment of the import tariff, our province faces a new situation in opening itself up to the outside world. The investment in fixed assets is reduced by a large margin. In the first five months of this year, the investment in capital construction was reduced by 18.2 percent from the same period last year. The number of hotly-debated issues tended to rise. These problems are related to the province's overall situation in economic development and social progress. Thus, we should realistically make efforts to solve them in the near future.

After hearing the reports on the province's current industrial and agricultural development situation, the former provincial leaders and veteran comrades partic-

ipating in the meeting extensively and warmly held discussions. Through these discussions, they also set forth many valuable opinions. They pointed out: In line with the current social and economic development situation, we should realistically attend to agricultural production, but neither be unrealistically optimistic nor lower our guard. It is necessary to transform low- and middle-yielding farmland and barren hills, to administer small river courses, and to realistically attend to agriculture. Regarding the issues related to industry, they said: Market competition is competition for strength. We should accelerate the pace of reforming, reorganizing, and transforming industrial enterprises and of intensifying enterprise management; we should organize enterprise groups that are dominated by products and tied up by property rights. Governments should necessarily interfere in the organization of enterprise groups. We should expand the dynamics of using foreign capital to resolve the financial difficulties of our enterprises in technological transformation, and should invite businessmen and introduce capital from other provinces. We should further emancipate the mind, be more brave, and further quicken our steps. We should grasp favorable opportunities to follow the mass line and to mobilize the masses to participate in the development of the economy. We should not only acknowledge that industrial enterprises are confronted with difficulties, but also understand their prospects. Facing difficulties, we must not expect miraculous cures, but should work in a down-to-earth manner. When reorganizing enterprises, we should strengthen the construction of the leading bodies of enterprises, and should cultivate and build a good entrepreneurial contingent.

After conscientiously hearing the discussions between veteran provincial leaders and veteran comrades, Gu Jinchu, secretary of the provincial party committee, said: Through extensive discussions, the meeting participants set forth valuable opinions on seeking a unity of thinking, on accurately understanding the current situation, on improving work styles, and on improving the province's industrial and agricultural production. The provincial party committee and government should conscientiously study these opinions and integrate these opinions into their practical work. This meeting was successfully convened. More such meetings should be convened in the future so as to pool the wisdom of the masses and to improve the economic work.

Present at the meeting were some veteran leaders and comrades, including Dai Suli, Li Tao, Xu Shaofu, Wang Guangzhong, Ge Xifan, Liu Yiyun, Zhu Chuan, Luo Dingfeng, Yang Kebing, Zhao Shi, Liu Wen, Liu Zenghao, Zhang Zhiyuan, Zuo Kun, Cheng Jinxiang, Li Jun, Zhao Qi, Wang Jiyuan, Tan Liren, Wei Zhi, Zhang

Yan, Shen Xianhui, and Li Qisheng. Also attending the meeting were Zhang Xingxiang, secretary general of the provincial party committee and chairman of the Policymaking Consultation Committee under the provincial party committee and government, and Yang Zhixin, Wang Xiantang, and Li Ronghuai.

**PRC: Liaoning Governor Speaks at Price Work Conference**

*SK1107063896 Shenyang LIAONING RIBAO  
in Chinese 22 Jun 96 p 1*

[By reporter Liu Yan (0491 3601): "The Provincial Price Work Conference Emphasizes Need To Unify Thinking, Strengthen Control, and Resolutely Fulfill Annual Price Control Targets"]

[FBIS Translated Excerpt] The provincial government held a price work conference on 21 June, urging all cities, prefectures, and departments to conscientiously implement the guidelines of the State Council's teleconference on price work and do a better job in curbing inflation and stabilizing prices.

Leaders from the provincial price bureau, finance department, and grain bureau and those from Shenyang, Pushun, and Jinzhou cities gave speeches at the conference. Vice Governor Liu Ketian spoke on further arrangements for strengthening price control; and Governor Wen Shizhen also spoke.

Liu Ketian emphasized in his speech that we should unify thinking, strengthen control, and resolutely fulfill the annual price control targets, and that the responsibility system for price control should be furthered. He said: The provincial government made it clear early this year that the annual retail price increase should be kept within 10 percent or so, and that the inflation in consumer prices and the inflation in retail prices should drop at the same rate. To achieve this, the provincial government has decided to establish the price control consultation system, whereby the provincial planning commission and finance, grain, trade, industrial and commercial, agriculture, and statistics departments, led by the provincial price bureau, will monitor and analyze on an irregular basis the prices of important commodities that have a bearing on people's life, such as grain, edible oil, meat, eggs, vegetables, and means of agricultural production, and will promptly issue control measures based on price fluctuations. [passage omitted]

Wen Shizhen said in his speech: Since the beginning of this year, government departments at all levels have conscientiously implemented the various State Council policy measures for the technical transformation and restructuring of Liaoning's old industrial base, intensified the enterprise reform with great efforts, pooled

efforts to organize economic operations, and strived to resolve various contradictions and difficulties. Thanks to the great amount of work to maintain sustained and stable economic development, good results have been achieved. The current economic operation is stable, and industrial production has picked up a little. It can be said that the macroeconomic environment has improved, the economy has developed slightly while remaining stable, agricultural production has started smoothly, market supplies have been abundant, sales have become more thriving, and inflation has dropped every month.

Wen Shizhen emphasized the need to keep the overall situation stable and attain all the price control targets as defined early this year. He pointed out: Several years of practice has proven that keeping prices basically stable is the prerequisite for sustained and healthy economic development. In Liaoning Province, where large and medium-sized cities are concentrated, keeping prices relatively stable is particularly important to economic and social stability. Thanks to governments' efforts to strengthen macro-control and implement all price control measures since the beginning of this year, the price situation has been notably improved, and inflation has dropped. From January to May this year, Liaoning's retail price index increased 6.7 percent, which was 11.3 percentage points lower than the growth rate of the same period last year and 0.7 percentage points lower than the national average growth rate. However, the basic way to keep prices basically stable is to increase production and the supplies of essential products. This year, we should particularly increase agricultural investment; actively specialize and industrialize agricultural production and promote intensive management; increase the output of such important commodities as grain, edible oil, meat, eggs, and vegetables, with the focus on the "rice sack" and "vegetable basket" projects; and ensure a good grain harvest.

Wen Shizhen particularly emphasized: Controlling prices to keep them basically stable is a matter concerning the overall situation and a task for governments at all levels. It is never a matter of one particular department, or a matter that can be resolved by one particular department. Under the unified leadership of governments at all levels, all relevant departments, especially price, agriculture, grain, trade, finance, industrial and commercial departments and supply and marketing cooperatives, should work in close coordination, perform their own functions, and fulfill their responsibilities. Only in this way can price control be successfully accomplished. Price departments and price control personnel should be kept stable, and price departments should fully perform their functions.



Attending this provincial price work conference were leaders in charge of price work from various cities and comrades from price, grain, and finance departments.

### Northwest Region

#### PRC: Central, West Regions Pressure Beijing for Development Plan

HK1207084896 Hong Kong MING PAO in Chinese  
10 Jul 96 p A10

[Report by special correspondent Chou Su (0719 4725): "Central, Western Regions Intensify Pressure on Beijing"]

[PTS Translated Text for FBIS] A Beijing source has disclosed that although the authorities proposed developing the central and western regions some time ago, they had not formulated a specific development plan. Not until several central and western provinces recently lodged a joint protest against the central authorities, demanding the early implementation of specific development projects and plans, did the central authorities decide to direct the State Council, led by Zou Jiahua, to work out a development plan to resolve certain problems in the central and western regions.

It is understood that this plan is still at the stage of collecting information, including demands from officials of the central and western regions or from members of the National People's Congress [NPC], as well as articles written by experts and scholars. It may be due to the mounting pressure from the central and western regions that the work on formulating the plan is tightly arranged and that personnel participating in it always have to work overtime. It was disclosed that this plan will give consideration to problems of great concern to the people in the central and western regions in a bid to appease them.

The source noted that the announcement of the Ninth Five-Year Plan and the Long-Term Target for the Year 2020, which were adopted at the Fifth Plenary Session of the CPC Central Committee, and their official adoption by the NPC this year elated the central and western regions for some time. So far, however, the central authorities have "talked much but done little." Because of the nationwide economic depression, the central and western regions find things getting harder and have strongly called on the central authorities to draw up a specific development plan. On the premise of effectively curbing inflation, the central authorities will also make certain "concessions" to them, including appropriately increasing investment in fixed assets, mainly in the central and western regions.

It was also disclosed that to show preferential treatment by Beijing for the central and western regions, the State

Council recently approved Sichuan Province's application for upgrading Chongqing city to a municipality, but the proposal will be submitted to and adopted by next year's session of the NPC. It is said the State Council approved Chongqing's upgrade primarily because Chongqing is the largest city in China. The population of the suburbs of Chongqing is more than 10 million. If one takes into account the population of the areas and counties under Chongqing's jurisdiction, this city's population will exceed 30 million, making Chongqing city bigger than Shanghai Municipality. In addition, Chongqing city has all along been an economic center and important town in the western and southern regions linking the middle and lower reaches of the Changjiang River. Its economic and cultural basis and strength rank top in the entire central and western regions. The authorities hope that after its upgrade, Chongqing will not only stabilize and develop areas surrounding Sichuan Province but also promote the development of large central and western provinces, including Qinghai and Gansu.

#### PRC: Gansu Province Holds Report Meeting on Taiwan Situation

SK2106051396 Lanzhou Gansu People's Radio  
Network in Mandarin 2300 GMT 19 Jun 96

[FBIS Summary] Tang Shubei, Standing Committee member of the National Committee of the Chinese People's Political Consultative Conference, deputy director of the Central Office for Taiwan Affairs, and executive vice chairman of the Association for Relations Across the Taiwan Straits, gave a report on Taiwan issue and situation to leading cadres at and above section level of provincial organs and responsible comrades of various democratic parties and mass organizations in Lanzhou on 19 June. Yang Zhenjie, deputy secretary of the provincial party committee, presided over the report meeting. Yan Haiwang, Shen Xiaozeng, Sun Ying, and (Lu Weiming) and other provincial leaders attended the meeting.

In his report, Tang Shubei analyzed the situation facing the work on Taiwan, adding that to deal with the "activity conducted by Taiwan leaders to split and create two Chinas, the central authorities decided to launch a struggle against separatism and Taiwanese independence." The fundamental purpose of this struggle is to fully show the determination of the Communist Party, the Chinese Government and the Chinese people to safeguard the sovereign rights of the motherland. "This struggle has dealt a heavy blow to forces that openly advocate Taiwanese independence, has punctured the Taiwan authorities's swollen arrogance of creating two Chinas, and has fully shown that any attempt to separate Taiwan from the motherland is in vain. This struggle has

also manifested the strong leadership of the third generation of party leaders, with Comrade Jiang Zemin as the core. People across the country will resolutely support the central policy decision."

Tang Shubei pointed out that solving the Taiwan issue and promoting the peaceful reunification of the motherland are the common desire and lofty mission of all Chinese people, including compatriots of Taiwan. "It is necessary to uphold the basic principle of peaceful reunification as well as one country two systems; to successfully carry out the work on Taiwan; to uphold the principle of one China; to resolutely oppose all activities to advocate Taiwanese independence, two Chinas, and one China and one Taiwan; to never allow any force to separate Taiwan from the motherland in any form; and to oppose foreign countries who poke their noses into Taiwanese issues and interfere with China's internal affairs." Meanwhile, we must continue to promote contacts between people on both sides of the Strait; develop cross-Strait economic and cultural relations; realize the exchange of mail, trade, and air and shipping services; comprehensively develop relations on both sides of the Strait; and make continued efforts to strive to realize the reunification of the motherland.

This report meeting was cosponsored by the Taiwan affairs work group of the provincial party committee and the United Front Work Department of the provincial party committee

**PRC: First Ningxia Catholics Congress Held 30-31 May**

SK0207021696 Yinchuan NINGXIA RIBAO  
in Chinese 2 Jun 96 p 1

[FBIS Translated Text] From 30 to 31 May, the First Ningxia Autonomous Regional Catholics Congress was held to elect the first Patriotic Catholic Association and Religious Affairs Committee of Ningxia.

Attending the congress were regional leaders Ma Wenxue, Hao Tingzao, and Tong Kaijin as well as responsible persons of the regional party committee's united front work department, the regional religion bureau, and the various religious groups in the region. Sending congratulatory messages to the congress were the China Patriotic Catholic Association as well as the patriotic catholic associations and religious affairs committees in Beijing, Shanghai, Gansu, and five other provinces and municipalities.

Speaking at the congress were Ma Wenxue, vice chairman of the region; and Tong Kaijin, vice chairman of the regional committee of Chinese People's Political Consultative Conference and director of the regional party committee's united front work department. They

said: Since the convocation of the Third Plenary Session of the 11th CPC Central Committee, the region's Catholic circles have, under the leadership of the party and the government, upheld the principles of independence, self-management, and running churches by themselves; positively conducted religious affairs activities within the scope permitted by policies, laws, and regulations; consciously resisted and eliminated interference from underground churches; and done a lot of work to safeguard the region's stability and unity and to promote the modernization drive.

Ma Wenxue dwelt on some opinions as regards the implementation of the party's religious policies. He said: Respecting and protecting the freedom of religious belief is a fundamental policy of the party and the state. We should comprehensively and correctly implement the party's religious policies, strengthen the management of religious affairs according to law, resist infiltration and interference from overseas hostile forces, safeguard social stability, and positively guide religion to steer itself towards socialist society. He expressed the hope that the region's patriotic Catholic association and the religious affairs committee would extensively contact and unite with the personages on religious circles as well as religion believers and then guide and lead them to plunge into reform and construction with a view to making new contributions to building the material and spiritual civilizations of the region.

**PRC: First Gas Pipeline Built in Qinghai Province's Qaidam Basin**

SK0207050396 Xining QINGHAI RIBAO in Chinese  
3 June 96 p 1

[Report by special reporter Zhang Junliang (1728 6511 5328) and Yang Haiping (2799 3189 1627)]

[FBIS Translated Text] The gas transmission project running from Nanyi Shan to Huatugou, which is the first natural gas transmission pipeline in Qaidam Basin and the first of its kind in the PRC built at a great height above sea level, was completed and put into operation after more than one year of hard work by workers of the Qinghai Oil Field. The completion and operation of this pipeline have begun the large-scale development of natural gas in the Qaidam Basin. Located in the northwestern part of the Qaidam Basin, the Nanyi Shan area has rich natural gas resources with a verified reserve of 2.45 billion cubic meters. In April 1995, in order to change the fuel structure of the Huatugou base, raise overall economic efficiency, and improve the quality of the workers' lives, the Qinghai Petroleum Bureau decided not to take any money from the state, but to collect funds from all bureau workers



and their family members to build a 103 km-long Nanyi Shan-Huatugou gas transmission project with a daily transmitting of capacity 40,000 cubic meters of natural gas. Undertaking the pipeline project, the construction section of this bureau never disappointed the heavy trust of 60,000 workers and their family members of the entire bureau; promoted the Qaidam spirit of "giving consideration to the overall situation, engaging in the arduous struggle, and showing selfless dedication"; raced against time; guaranteed quality; and enabled the first gas transmission pipeline in the Qinghai Petroleum Bureau's 40-year history to go into operation ahead of schedule.

After completion and being put into operation, this gas transmission line has changed the fuel structure of power and oil in Huatugou area. It may save more than 60,000 tonnes of crude oil and residual oil annually, and this alone may bring a direct economic efficiency of more than 72 million yuan. Meanwhile, this gas pipeline has provided valuable experience and a basis for further developing the large natural gas project with a capacity of 50 billion cubic meters in the eastern part of the Qaidam Basin.

**PRC: Urumqi International Airport Completes New Runway**

OW2107114396 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1237 GMT 20 Jul 96

[By Xia Xianqing (1115 0341 3237)]

[FBIS Translated Text] Urumqi, 20 Jul (ZHONGGUO XINWEN SHE) — The newly built runway at Urumqi

International Airport was put to use recently. Henceforth, "MD-11," Boeing "747-400," and "Airbus" aircraft can take off and land at the airport.

Along with Beijing's Capital International Airport and Guilin Airport, Urumqi International Airport was listed as a major state upgrading project in 1993, with a total investment of more than 1.2 billion yuan.

Based on a redesigning of the original airport, the Urumqi International Airport reconstruction and expansion project consisted of six major parts — the runway, hangars, air traffic control meteorological stations, terminal buildings, power plants, and fuel depots. The runway, which is 3,600 meters long and 60 meters wide, has been put to use following its smooth completion. Early-stage projects, such as the transformer station and the heating system for the northern section, were also completed at the same time. Dubbed the "Widest Span in the Northwest," the airport's "Hangar 101" has a length of more than 80 meters and a span of over 100 meters. The hangar can accommodate for servicing two "Tu-154" medium passenger airplanes or one Boeing-747 airliner. This project will soon enter the stage of outfitting.

According to a Xinjiang Civil Aviation Bureau official, the current reconstruction and expansion project was planned and designed in accordance with the requirements of development through 2005. Following its reconstruction and expansion, Urumqi International Airport will be upgraded to Class 4-E.

**PRC: Seminar on Cross-Strait Ties Supports Direct Trade***HK1907054796 Beijing CHINA DAILY in English  
19 Jul 96 p 2***[By Xu Yang: "Seminar Calls For Direct Trade"]****[PTS Transcribed Text for FBIS]** The fifth seminar on cross- Straits relations ended yesterday in Beijing with mainland and Taiwan scholars expressing unanimous support for early direct trade.

The further merging of economies of both sides will benefit the peaceful reunification of China, they told the three-day conference sponsored by the National Taiwan Research Association, All-China Federation of Taiwan Compatriots and the Taiwan Studies Institute under the Chinese Academy of Social Sciences.

Experts from both sides optimistically predicted that trade links will continue to be strengthened with the participation of Taiwan consortia.

Some Taiwan participants suggested that the mainland side should help Taiwan realize its ambition of becoming an Asia-Pacific shipping centre and let major Chinese ports attend the project.

On political issues, more than 100 mainland, Taiwanese, Japanese and US experts discussed and argued about the definitions of "one China, two systems," national sovereignty, peaceful reunification, and "pragmatic diplomacy."

Participants reached consensus that the Taiwan issue is an issue of the Chinese nation and no outside force should be allowed to interfere.

Although most people agreed that "Taiwan Independence" should be fought against and that peaceful reunification is the common goal in the long run, mainland and Taiwan scholars maintain different views on the framework, process and means of reunification.

Mainland scholars believe that the "one China, two systems" framework is sufficient to solve the Taiwan issue and that Taiwanese leaders must both by words and action recognize the "one China" principle.

**PRC: Commentary Notes Expanding Investment From Taiwan***OW2107135996 Beijing Central People's Radio  
in Mandarin to Taiwan 2200 GMT 19 Jul 96*

["News commentary" by station editor Yu Xin: "Large-Scale Investments by Taiwan Businessmen Have Become a Trend"; from the "News Square" program]

**[FBIS Translated Text]** Over the past two months, there has been a highly visible trend toward large-scale in-

vestments by Taiwan businessmen on the mainland. Mainland-bound investment plans approved by Taiwan's Ministry of Economic Affairs in June averaged \$6 million apiece, while the average for July exceeded \$11 million. These are much higher than last year's average investment of \$2-3 million. This shows that Taiwan's investment scale on the mainland has shifted from one that was typical of small and medium enterprises in the past to one befitting large enterprises.

Judging by these large-scale investment plans, upstream raw materials and infrastructure constitute the new investment trend for Taiwan businessmen. A polyester chemical fiber plant on the mainland — in which the Far Eastern Textile Group and the Yuen Ching Investment Group will respectively invest \$6 million and \$24 million — is Taiwan's first polyester chemical fiber plant that has obtained permission for investment on the mainland. (Ho Chiao) Petrochemical Company will invest \$12 million in (Hefang) Chemical Company in Jiangsu's Zhenjiang, which will deal in polyethylene and manufacture and sell plastics. Nan Ya Plastics Corporation, a member of the Formosa Plastics Group, has obtained permission to invest \$34 million in Nantong Nanya Plastics Company and Nanyang Plastics Company in Jiangsu's Nantong. Sampo Corporation has obtained permission to invest \$23 million in Sampo Company in Tianjin to manufacture refrigerators and air conditioners.

Apart from upstream enterprises, Taiwan's large enterprises have followed the example of Hong Kong and foreign investors by investing large amounts of funds in the mainland's infrastructure. Asia Cement Corporation and Chia Hsing Cement Corporation have announced plans to set up cement plants on the mainland. New Asia Construction and Development Corporation will invest \$7 million in a power plant on the mainland. Wang Yongqing (Wang Yung-ching), Formosa Plastics Group chairman, recently applied to the authorities for permission to invest \$3 billion in a power plant in Fujian's Zhangzhou. The investment scale is nearly equivalent to the total amount of mainland-bound investment approved by the Taiwan authorities in 1993. In reporting this important piece of financial and economic news, the island's media noted that the Formosa Plastics Group is once again causing a stir in Taiwan since it floated its investment plan for Xiamen's Haicang.

The trial balloon for the overall mainland policy of the Taiwan authorities is again withstanding the test of hurricanes and may have the domino effect of triggering a capital flight from Taiwan to the mainland. Approving or disapproving the Formosa Plastics Group's \$3 billion investment on the mainland will show the trend of the Taiwan authorities' overall mainland policy. The



U.S.-based BUSINESS WEEK, in a 15 July special article, pointed out that the Formosa Plastics Group's \$3 billion investment plan will serve as an important touchstone for cross-strait relations. Wang Yongqing's goal is to establish a large petrochemical industrial zone on the mainland. The \$3 billion investment is only the beginning.

The scale of investments by Taiwan enterprises on the mainland was never large in the past. According to statistics compiled by Taiwan's Chunghua Economic Research Institute, some 70 percent of the investments made by Taiwan businessmen on the mainland in 1994 were less than \$1 million, while the remaining one-fourth ranged from \$1 million to \$5 million. Only 3.4 percent of the investments exceeded \$5 million. This was much smaller than the investment scale of the United States, Japan, and Singapore. Although this state of affairs had something to do with the fact that most Taiwan investors on the mainland used to be small and medium enterprises, an important factor is the Taiwan authorities' restrictions on investments by large enterprises.

The Chunghua Economic Research Institute pointed out: The trend toward large-scale investments by Taiwan businessmen was first predicted a few years ago. In the past, it was midstream and downstream processing factories from Taiwan that first invested on the mainland. Their demand for raw materials, in turn, exerted pressure on Taiwan's upstream large enterprises, which were forced to follow in the steps of their downstream customers by investing on the mainland to keep their customers from turning to foreign suppliers of raw materials. Because large enterprises need to keep their customers and satisfy the growing demand of the mainland market, making large-scale investments on the mainland has become an inevitable trend. Another major factor prompting Taiwan businessmen to make large-scale investments was the gradual relaxation of mainland-bound investment projects by the Taiwan authorities under pressure from enterprises, and the fact that the domestic market on the mainland is becoming more and more open.

Although many cross-strait political issues have yet to be solved, cross-strait economic cooperation and trade has become the trend of the times. Rather than being bucked by human factors, this trend will only keep advancing.

**PRC: Taiwan Travel Pass for Inland Visitors**  
*OW1907134996 Beijing XINHUA in English*  
1306 GMT 19 Jul 96

[FBIS Transcribed Text] Beijing, July 19 (XINHUA) — Residents in China's inland areas who wish to visit Taiwan now can get a "Taiwan pass" as of August 1, instead of going through the "Hong Kong and Macao pass" as they now do, annotated "going to Taiwan via Hong Kong."

According to the Exit-Entry Administration Bureau of the Public Security Bureau, as of August 1, "Taiwan pass" holders are allowed to exit from any open port with air service to Hong Kong or any port bordering Hong Kong.

Those who do not go through Hong Kong, can fly to Taiwan from Macao and return to the inland areas through any open port, the bureau said.

The "Taiwan pass" is valid for five years. Each time a resident in inland areas visits Taiwan, he or she must have the pass validated. The person is required to return to inland within a certain period of time.

**PRC: First Taiwan Minorities Research Association Founded**  
*OW2007055996 Beijing Central People's Radio*  
in Mandarin to Taiwan 2200 GMT 12 Jul 96

[From the "News Square" program]

[FBIS Translated Text] [Announcer] Listeners and friends, the Taiwan Minorities Research Association [TMRA] — the first academic society on the mainland Motherland with the study of Taiwan minorities as its principal task — was recently founded in Beijing. Please listen to the following report presented by our station reporter Du Chenghua.

[Begin recording] [Du] The TMRA — the first academic society on the mainland Motherland with the study of Taiwan minorities as its principal task — was founded in Beijing on 10 July. Founded under State Nationalities Affairs Commission [SNAC] sponsorship, the association now has nearly 100 executive council and council members, including most of the scholars who are studying Taiwan minorities on the mainland Motherland.

At the inaugural meeting and the first academic seminar held 10-12 July, Mr. Yang Houdi, director of the SNAC Policy and Legislation Department, was elected TMRA president. At the association's inaugural meeting, he said: By studying the history and current situation of Taiwan minorities, the TMRA's principal task is

to enhance understanding between the people of all nationalities across the strait, to promote cross-strait economic and cultural exchanges, and to serve the great cause of the Motherland's reunification.

According to Mr. Yang Houdi, as far as its future academic research is concerned, the association will give priority to the subjects in five respects: First, the study of the history, current situation, and future development of Taiwan minorities, particularly the study of the Gaoshan nationality; second, the study of the basic conditions of other Taiwan minorities; third, the study of ethnic relations in Taiwan; fourth, the study of minority areas in Taiwan; and fifth, the study of Taiwan minorities in terms of their contributions to the development, construction, and defense of Taiwan.

Zhang Conggen, vice president and secretary general of the research association, said: In recent years, some of Taiwan's minorities have aired their views on such issues as the Gaoshan nationality's name and the identification of other nationalities to relevant government departments. These opinions have caused much concern among relevant government departments. The TMRA will study these issues in an in-depth manner.

This reporter also interviewed Mr. Zhang Conggen on some other research association issues. [end recording]

[begin recording] [Du] Mr. Zhang, what is the reason for founding the TMRA?

[Zhang] Taiwan minorities are an indispensable part of our Motherland's large family. As cross-strait exchanges, including exchanges with Taiwan minorities, have become more and more frequent in these years, we have to care for issues expressed by them, which are their immediate concern, during our contacts with them. Generally speaking, the association will mainly study minorities that have lived in Taiwan for generations, but of course, we also have to study other minorities in Taiwan and get in touch with them. Through these studies and contacts, the research association wants to further serve the great cause of our Motherland's peaceful reunification.

[Du] What I want to ask is, how is the situation of studying Taiwan minorities on the mainland Motherland? How many researchers are there?

[Zhang] At present, there are quite a number of scholars and experts engaged in the study of Taiwan. However,

if we only confine ourselves to the area of nationality research, perhaps there are less than 100, or nearly 100. Moreover, some very fine works have been published, for example, the Brief History of the Gan Nationality, and some others that reflect the culture and customs of Taiwan minorities. There are mainly two bases, one in the Central University of Nationalities, the other in [word indistinct].

[Du] In which direction is our research association going to promote the study of Taiwan minorities?

[Zhang] Our research association wants to primarily study more of the history and culture of Taiwan minorities.

[Du] Will the achievements in the study impact on how to handle the issue of Taiwan minorities?

[Zhang] I think the research association's achievements will be applied, first, to academic exchanges across the strait; second, we must also foster a better understanding of Taiwan minorities among the people of all nationalities on the mainland Motherland; and third, we must also contribute ourselves to relevant government departments in making policies by giving information and opinions.

[Du] What do you expect of relevant Taiwan minorities figures and bodies?

[Zhang] Of course, we want to cooperate more closely with them because as far as our nationality research is concerned, apart from studying data, we must also conduct on-the-spot surveys. So, we hope that the scholars and academic bodies in Taiwan can keep closely in touch with us, and we also want to have their support and get help from them so that our mainland scholars can conduct on-the-spot surveys, which has been their wish for many years.

[Du] Are there any concrete ideas in this respect?

[Zhang] In this regard, we have made some contacts. Some of our scholars have gone to Taiwan to conduct surveys, but because of time constraints and other limitations, the work has not been done in a systematic and in-depth manner. We wish to have an opportunity to send a survey team to Taiwan to carry out a fairly systematic and in-depth on-the-spot survey. [end recording]



**Taiwan: Official on U.S. Visit, Meeting With Lord, Ties With PRC**

OW1907134896 (Internet) Taiwan Central News Agency WWW in English 1324 GMT 19 Jul 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, July 19 (CNA) — A top Taiwan official on Friday confirmed that during his trip to the United States early this month, he exchanged views with Winston Lord, U.S. assistant secretary of East Asian and Pacific affairs, on ties between Taiwan and mainland China.

"The common view shared by Taipei and Washington is that Taiwan and Mainland China should sustain stable and constructive ties, and that the swift resumption of dialogue suspended by Beijing last year will be conducive to improving the soured relations," said Chang Ching-yu, chairman of the Mainland Affairs Council (MAC).

He admitted that during his stay in the U.S., he also met with Central Intelligence Agency officials. But he would not elaborate.

When asked what role the U.S. is playing in the present Taipei-Beijing impasse, Chang said that judging from the American officials he met on the trip, he believes the U.S. does not want to see an outbreak of military conflict in any corner of the world.

Chang stressed that the officials repeatedly said a peace agreement between Taiwan and Mainland China is a matter for the Chinese on the two sides of the Taiwan Strait to decide. "What they are most concerned about is that the problem be solved by peaceful means," Chang said.

Washington has maintained close ties with Taipei and Beijing since 1949, so it is not unusual that Washington is keeping a close eye on political developments in the region, Chang noted.

During the first press conference since his U.S. visit, Chang tried to play down the role of Washington in solving the disputes in the Taiwan Strait. "Improvement of bilateral ties will depend on Taipei and Beijing, not on a third party."

He urged both sides to cool their heads if they are to tackle the disputes that began in June 1995. "The best way to improve ties is to begin from the point where they hit a snag," Chang said.

Using a figure of speech, Chang asked the mainland side to be more realistic in improving ties. "Instead of speaking on top of the clouds, (Beijing) should come down to earth to speak," Chang said.

Recalling that the two sides reached a consensus on the fundamental "one China policy" on different terms several years ago, Chang said he suspects Beijing's turning tough in dealing with Taipei was politically motivated.

"If the communist Chinese will not renounce their political motive, a consensus between the two sides can hardly be reached," Chang said.

The Chang-Lord meeting also touched on possible developments in Hong Kong after the colony is handed over to Mainland China in 1997.

Asked whether the MAC is ready to relax restrictions on investment by mainland interests, Chang replied that the problem will be handled flexibly. He said economic and trade activity between the two sides will be regulated by market forces in the future provided that bilateral ties take a turn for the better.

He also seized the occasion to rebuff Beijing's criticism that Taipei is secretly pushing for independence while paying lip service to integration with Mainland China.

Chang defended Taipei's ongoing pragmatic diplomacy, saying the policy is aimed at meeting the nation's needs before China's reunification. "At present, both sides should be allowed sufficient development room of their own in the international community," Chang said.

On the plans for offshore shipping and special operations areas mapped out by the Ministry of Economic Affairs, Chang said these areas are part of government steps to liberalize the Taiwan economy while still guaranteeing national security in business transactions across the Taiwan Strait.

Chang declined to comment on whether the special zone plans would be the bottom line in Taiwan's response to the call by Beijing to set up postal, transportation, and business links between the two sides, saying simply that the government hopes to create a "win-win" situation.

**Taiwan: CAA Comments on U.S. Aviation Agreement Negotiations**

OW2207074596 (Internet) Taiwan Central News Agency WWW in English 0718 GMT 22 Jul 96

[By Flor Wang]

[FBIS Transcribed Text] Taipei, July 22 (CNA) — The Republic of China (ROC) and the United States are scheduled to hold aviation negotiations in early August to renew their current agreement reached in 1980, according to the Civil Aeronautics Administration (CAA).

The CAA said that it plans to bargain for more extension points for domestic airlines in the talks, while the U.S. side is expected to focus negotiations on getting permission for the Federal Express Corporation (FedEx) to operate ground services at Chiang Kai-shek International Airport.

The ROC-U.S. aviation agreement was first inked in 1946, under which airlines of the two nations enjoyed full extension rights and could run unlimited number of flights to the opposite side.

Currently, China Airlines and EVA Airways are the two major domestic operators flying on Taiwan-U.S. routes to Guam, Los Angeles, San Francisco, Seattle, Hawaii, New York, Anchorage, while U.S.-based Northwest Airlines, Continental Micronesia and United Airlines also fly between the two countries.

As both CAL and EVA Air are allowed to operate ground services at Los Angeles and San Francisco airports, the CAA said the U.S. side is likely to ask for the same treatment for FedEx in the upcoming talks, while it will request the extension of CAL and EVA Air's passenger and cargo services to Chicago, Miami and Washington.

The CAA signed a contract with the United Parcel Service on June 15, allowing the U.S. courier to set up a regional air cargo transshipment center at CKS International Airport. But FedEx's application to open ground services at the airport is still under negotiations.

#### **Taiwan: Taipei Expresses Concerns About Disputed Islands**

OW1907173196 (Internet) Taiwan Central News Agency WWW in English 1448 GMT 19 Jul 96

[By Maubo Chang]

[FBIS Transcribed Text] Taipei, July 19 (CNA) — An ROC official charged with handling Japanese affairs summoned a Japanese official in Taipei Friday to express concern about the construction of a lighthouse on the disputed Tiaoyutai [Senkaku] Islands.

Lo Kun-tsan, acting secretary general of the Association of East Asian Relations, lodged a protest with Yuji Kumamaru, secretary general of the Taipei office of the Interchange Association, the de-facto Japanese embassy here, over the inaction of the Japanese government in the face of its people's infringement of ROC territory.

A group of Japanese nationalists built a lighthouse Sunday on Tiaoyutai, a chain of islets claimed by Taipei, Beijing, and Tokyo.

In an official statement on the action, Japanese Cabinet Secretary Seiroki Kajiyama said Wednesday that the

Japanese government will not forbid the lawful acts of its citizens.

Lo told Kumamaru that Tiaoyutai, known as Senkaku in Japan, is traditionally a part of ROC territory.

He accused Kajiyama of coddling the Japanese nationalists, and asked Japan to refrain from any act that could damage ties between the two sides.

Kumamaru reiterated the Japanese claim to the islets, but promised to convey Taipei's protest to the Japanese Government.

#### **Taiwan: Foreign Ministry Protests Japanese Claim to Islands**

OW2007090396 (Internet) Taiwan Central News Agency WWW in English 0853 GMT 20 Jul 96

[By Lillian Wu]

[FBIS Transcribed Text] Taipei, July 20 (CNA) — The Ministry of Foreign Affairs Saturday lodged a strong protest over Japan's decision to include the Tiaoyutai Islands in its 200-mile exclusive economic zone.

The ministry said the Tiaoyutai Islands, or Senkaku Islands to the Japanese, are an inalienable part of ROC [Republic of China] territory that the nation will not give up even an inch of its land. The ministry urged Tokyo to exercise restraint in the dispute.

Cheng Wen-hua, vice foreign minister, said that Japan's inclusion of the islands in its 200-mile exclusive economic zone was unacceptable to the ROC.

While asserting that the government will do everything possible to protect the integrity of its territory, he also said that the government will continue to negotiate with Japan over the matter.

He urged Japan to consult with the ROC soon to solve the dispute peacefully.

Cheng pointed out that based on geographical location, geophysics, history, and long-term use of the Tiaoyutai Islands by the people of Taiwan, the islands clearly belong to ROC territory.

The islands lie in the East China Sea about 200 kilometers (126 miles) east of Taiwan and 300 kilometers (190 miles) west of Japan's island of Okinawa.

Asked whether the government will take any concrete actions to protect Taiwanese fishermen operating in the islands area, Cheng stressed that the government will do whatever is necessary to protect the rights of the nation.

Cheng said that the government has lodged a strong protest to the Japanese Government over the intrusion.



He said that the government has asked the ROC representative office in Japan to continue to communicate with Japan over the matter to seek a solution.

Cheng said that though the ROC is not a signatory nation to the UN Convention on the Law of the Sea, the government is willing to abide by its regulations, which stipulate that if one nation's exclusive economic zone overlaps with that of another, the nations involved should solve their disputes through consultations.

He pointed out that Japan's approval of a 200-mile exclusive economic zone in June and its announcement that the zone would take effect Saturday run counter to regulations of the UN Convention and seriously infringe on the rights of the ROC.

**Taiwan: Governor Urges Beijing To Protect Disputed Territory**

OW2107102596 (Internet) Taiwan Central News Agency WWW in English 1003 GMT 21 Jul 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, July 21 (CNA) — Taiwan Governor Sung Chu-yu on Sunday urged Beijing to show its strength and determination to protect the integrity of Chinese territory.

The first popularly elected Taiwan governor made the call after Japan unilaterally included the disputed Tiaoyutai Islands into its 200-mile exclusive economic zone, and a right-wing Japanese youth federation set up a makeshift aluminium lighthouse on one of the islands, known as the Senkaku Islands in Japan.

"It's high time for Mainland Chinese authorities to demonstrate to the world that they have the capability and determination to protect China's historical territory," Sung said after attending an international children's playthings festival being held in the northeastern city of Ilan.

If Beijing was really determined to promote China's eventual reunification and protect territorial integrity, Sung said, it should not have conducted missile tests to intimidate Taiwan in the run-up to its first-ever direct presidential election on March 23 and should take effective actions to stop Japan from including the Tiaoyutai Islands into its economic zone.

Sung said the ROC [Republic of China] government is determined to protect the integrity of its territory and the fishing rights of its fishermen in waters surrounding the disputed islands. He urged Japan to consult with the ROC soon to settle the dispute peacefully.

Sung further said he fully supports an Ilan county government proposal to seek international arbitration to

resolve the issue. According to ROC regulations, the Tiaoyutai Islands are under the jurisdiction of the Ilan county government.

The group of islands lie in the East China Sea, about 200 km (125 miles) northeast of Taiwan and 300 km (190 miles) west of Japan's island of Okinawa. Japan was given control of the Tiaoyutai Islands in 1972 by the United States, which had administered the islands along with Okinawa since the end of World War II. However, based on geographical location and history, the islands clearly belong to the Republic of China.

On an Ilan fishermen's plan to organize a large fishing fleet to the islands to signify the ROC's sovereignty, Sung urged all local fishermen to remain calm and support the government in seeking a satisfactory solution to the issue through negotiations. He assured Ilan fishermen that the government will take concrete actions to protect their security when they operate in waters near the disputed islands.

Meanwhile, the Chinese Patriotic Alliance, which was founded by a group of students from Taiwan doing advanced studies in the United States in 1972 to oppose US transfer of the Tiaoyutai Islands to Japan, issued a statement condemning Japan for permitting its right-wing youth federation to set up a lighthouse on the disputed islands. "The Japanese Government's approval of the act has infringed upon the ROC's sovereignty over the groups of islands," it stressed.

The statement also urged the two sides of the Taiwan Strait to discard their political differences and join hands in protecting the islands.

It added that Beijing should not use bellicose rhetoric or flexing of military muscle to intimidate Taiwan any more and should instead focus its target on the true enemy of Japan.

Chiao Jen-ho, who is concurrently vice chairman of the private patriotic alliance and the semi-official Straits Exchange Foundation (SEF), hinted that the two sides can discuss the Tiaoyutai issue if Beijing agrees to resume stalled cross-strait dialogue.

Beijing unilaterally suspended regular dialogue between the SEF and its mainland counterpart, the Association for Relations Across the Taiwan Strait, last summer to show its wrath at ROC President Li Teng-hui's landmark visit to the US. Beijing viewed the trip as a move to promote Taiwan independence.

**Taiwan: Fishermen Vow To Tear Down Lighthouse on Disputed Isle***OW2107100296 Taipei Voice of Free China in English 0200 GMT 21 Jul 96*

[FBIS Transcribed Text] Local officials and fishermen, with the support of over 100 National Assembly deputies, Saturday vowed to tear down a lighthouse put up by a Japanese right-wing group on a Tiaoyutai island.

Fishermen from Ilan County who operated near the Tiaoyutai Islands demanded the county government tear down what they call an illegal structure on the land, over which Taiwan claims sovereignty.

The county spokesman said the Tiaoyutai islands are under Ilan County's jurisdiction. The county will tear down the illegal lighthouse after gathering enough information. It was not immediately known how the central government will respond to the county's decision.

In Taipei, more than 100 National Assembly deputies demanded the central government send Navy ships to escort Ilan's fishermen on their mission to tear down the lighthouse. They also demanded that the assembly send a delegation to the island and pass a resolution to reassert Taiwan's rights.

**Taiwan: Ministers Comment On Resolution of Island Dispute***OW2207083296 (Internet) Taiwan Central News Agency WWW in English 0813 GMT 22 Jul 96*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, July 22 (CNA) — Taiwan must complete legislation of laws governing territorial waters and economic zone as soon as possible to provide a legal basis for negotiating with other countries in resolving the "Tiaoyutai" issue, the Council of Agriculture (COA) said Monday.

Draft bills on the ROC [Republic of China] territorial waters, exclusive economic zone and continental shelf have been pending Legislative Yuan screening for two years.

"We hope the legislature will pass the two bills at an earliest possible day so that the ROC government can declare sovereignty over its economic and fishery waters," said a COA official.

On the disputed Tiaoyutai Islands, the official said, Beijing and Tokyo have reached a tacit agreement under which the Japanese government enjoys de facto jurisdiction over waters near the island group, known as the Senkaku Islands in Japan. The agreement, however,

has not clearly defined which party has sovereignty over waters surrounding the islands.

Japan declared 12-mile fishery waters surrounding the Tiaoyutai Islands in 1977. For years, Taiwan fishing boats can operate only in waters 12 nautical miles off the islands.

Japan recently passed regulations governing its 200-mile exclusive economic zone and reiterated its sovereignty over the Tiaoyutai Islands, triggering fiery protests from Taiwan.

The group of islands lie in the East China Sea, about 200 km (125 miles) northeast of Taiwan and 300 km (190 miles) west of Japan's island of Okinawa. Japan was given control of the Tiaoyutai Islands in 1972 by the United States, which had administered the islands along with Okinawa since the end of World War II. However, based on geographical location and history, the islands unmistakably belong to the ROC.

Interior Minister Lin Feng-cheng said the Tiaoyutai Islands are the ROC's historical territory. "To protect the integrity of our territory, the Ministry of Foreign Affairs will negotiate with Japan over the issue," Lin said.

He also reaffirmed the government's determination to protect the security of Taiwan fishermen operating in waters near the disputed islands. "Whenever our fishermen encounter threat, the marine police patrol ships will rush to the scene to protect them," Lin added.

Meanwhile, a group of National Assembly deputies from the pro-independence opposition Democratic Progressive Party said Taiwan should take concrete actions, including organizing a voluntary militia force, to assert its claim over the Tiaoyutai Islands.

**Taiwan: Spokesman on Discussions With Japan Over Tiaoyutai***OW2207095896 (Internet) Taiwan Central News Agency WWW in English 0930 GMT 22 Jul 96*

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, July 22 (CNA) — The Ministry of Foreign Affairs reiterated Monday that the government will continue to consult with Japan over the disputed Tiaoyutai islands in a peaceful manner.

Rock Leng, spokesman of the ministry, said that the ministry has been communicating with Japan through diplomatic channels. But he said that Japan has so far made no substantial response.

On reports that fishermen from Ilan, northwestern Taiwan, are planning to organize a large fishing fleet to the



islands, known as the Senkaku Islands in Japan, to highlight ROC's sovereignty over the islands, the ministry said that the government can not stop or prevent possible clashes between Taiwan fishermen and the Japanese authorities.

Leng would not comment on a proposal by the ROC [Republic of China] Anti-Communist Alliance, which suggested that the two sides of the Taiwan Straits cooperate in resolving the issue.

The alliance is an organization founded by a group of students in the United States in 1972 to oppose U.S. transfer of the Taoyutai islands to Japan.

The islands lies in the East China Sea, about 200 km (125 miles) northeast of Taiwan and 300 km (190 miles) west of Japan's Island of Okinawa. Japan was given control of the Taoyutai Islands in 1972 by the U.S., which had administered the islands along with Okinawa since the end of World War II. However, based on geographical location and history, the islands clearly belong to the Republic of China.

Meanwhile, Taiwan Provincial Governor Sung Chu-yu, said that if Mainland China is determined to preserve the integrity of Chinese territory, it should take some actions.

Sung noted that Mainland China held a series of intimidating wargames at Taiwan's doorsteps during the first presidential election in Taiwan earlier this year to show its determination to "protect the integrity of the territory." He urged Beijing to take appropriate actions to show similar determination this time.

Noting that the livelihood of Taiwan fishermen will be affected by Japan's unilateral decision to include Taoyutai into its 200-mile exclusive economic zones last week, Sung said that he sympathized with the fishermen, but he believed that the disputes should be settled through peaceful means, either through diplomatic consultation or through multilateral cooperation projects.

#### **Taiwan: European Parliament's Resolution of UN Support Welcomed**

OW1907143996 (Internet) Taiwan Central News Agency WWW in English 1324 GMT 19 Jul 96

[By Lin Wen-fen]

[FBIS Transcribed Text] Taipei, July 19 (CNA) — The Ministry of Foreign Affairs on Friday welcomed the European Parliament's adoption of a resolution to support Taiwan's bid to re-join the United Nations.

A foreign affairs official who asked not to be named said that this was not the first time that the European Parliament has passed a resolution voicing its support for Tai-

wan despite Beijing's objections to Taiwan's enhancing its international status. "We deeply appreciate the friendship that the European Parliament has extended to the ROC [Republic of China]," he added.

The official said that in February and March, the European Parliament adopted two urgent resolutions expressing their serious concern over Mainland China's intimidating war games in the Taiwan Strait.

The latest resolution, "The Role of Taiwan in International Organizations," was passed Thursday by a large majority. The resolution suggested that the United Nations set up a working group to study the feasibility of Taiwan's participating in activities held by agencies under the UN General Assembly.

The 626-seat European Parliament in the resolution also encouraged Taiwan and Mainland China to intensify their cooperation in a constructive and peaceful spirit, and called for the European Commission to establish a bureau of information for the European Union in Taipei.

The ROC official said that the Ministry of Foreign Affairs hopes that the European Commission, the European Union's Council of Ministers, and the 15 member states of the European Union will take measures to implement the goals set in the resolution, which was passed by the European lawmaking body that represents the will of 370 million people.

#### **Taiwan: Allies Propose Taipei Membership in UN**

OW2107105796 (Internet) Taiwan Central News Agency WWW in English 0932 GMT 21 Jul 96

[By Flor Wang and Renan Huang]

[FBIS Transcribed Text] Taipei, July 20 (CNA) — A total of 16 diplomatic allies of the Republic of China [ROC] have submitted a proposal to the United Nations calling for Taiwan's representation in the world body, according to the UN's secretariat.

A spokesman for the UN secretariat confirmed that the secretariat received the proposal on July 17, asking the UN to set up a special committee to study the issue in the 51st General Assembly which opens on Sept. 17.

The 16 countries, mostly ROC allies in Latin America and Africa, are Nicaragua, Guatemala, Ecuador, El Salvador, Honduras, Saint Vincent and the Grenadines, Saint Lucia, the Commonwealth of Dominica, Grenada, Swaziland, the Central African Republic, Guinea-Bissau, Burkina Faso, Niger, Solomon Islands and Senegal.

This is the fourth year in a row that ROC allies have asked the UN to set up a special committee to study Taiwan's membership in the international organization.

Seven Central American allies launched the campaign to support the ROC's UN bid in 1993, while 12 allies joined the campaign in 1994 and 15 allies did so last year.

Foreign Affairs Minister Chang Hsiao-yen said recently that although the UN bid is not the top priority for the government at the present, it remains a long-term goal.

The UN bid aims to let the international community realize that the 21 million people on Taiwan are excluded from the world body and that a solution should be found to address the problem, he said.

**Taiwan: Lawmakers Visit Canadian Parliamentarian, Foreign Ministry**

OW2007094696 (Internet) Taiwan Central News Agency WWW in English 0747 GMT 20 Jul 96

[By Chang Sheng-chao & Maubo Chang]

[FBIS Transcribed Text] Ottawa, July 19 (CNA) — A group of six ROC [Republic of China] legislators called on the Canadian parliament and Foreign Ministry separately on Friday to exchange views on a wide range of issues.

The legislators, five Kuomintang members and one Democratic Progressive Party member of the ROC-Canada Parliamentary Friendship Association, were the first ROC parliamentary delegation to visit Canada since the association was founded in 1994.

The delegation, led by Li Yu-chi, called on John Nunziata, head of the Canada-Taiwan Parliamentary Friendship Association, and thanked him for the association's show of solidarity with Taiwan by visiting the island in March during Mainland China's missile testing on Taiwan's doorstep.

Nunziata has visited Taiwan three times since he took helm of the association two years ago.

The delegation also called on John Church, director general of the Investment and Technology Bureau under the Foreign Ministry.

They asked their Canadian host to invite ROC President Li Teng-hui to the Asia Pacific Economic Cooperation leaders summit in Canada next year.

They also expressed the ROC's concerns about the fate of seven Taiwanese sailors detained in Canada on suspicion of throwing three stowaways overboard on the high seas.

Church did not address their requests and concerns, but reiterated Canada's official position of support for Taiwan's bid to join World Trade Organization.

The delegation will set off for Toronto on Saturday before flying to Washington on Tuesday and returning to Taipei on July 27.

**Taiwan: Taipei TRR Nuclear Reactor for 'Peaceful Purposes'**

OW2107101996 (Internet) Taiwan Central News Agency WWW in English 0933 GMT 21 Jul 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, July 21 (CNA) — Taiwan will reopen a nuclear reactor which was suspected of having been used to develop nuclear weapons and forced to shut down in 1988, but relevant government agencies have assured that the new device will be used for peaceful purposes.

The nuclear reactor is scheduled to begin operation in 2002, according to the timetable worked out by the Atomic Energy Council, the supreme body in charting Taiwan's nuclear research development policy.

The closed nuclear reactor, called Taiwan Research Reactor (TRR), was one of the few heavy water reactors in the world. Using natural uranium as fuel, the equipment was shut down in 1988 by the United States after Washington suspected that Taipei was using the reactor to develop nuclear weapons.

With the support of the National Science Council and the Executive Yuan's Science and Technology Advisory Group, the Nuclear Research Institute (NRI) last year started a project dubbed "TRR-2" to revive the reactor. Under the project, the new reactor will emerge as a high-tech equipment intended to promote human welfare only, NRI officials said.

They said some part of the TRR will be dismantled and a brand new reactor will be installed at the same site under a design which NRI officials said will help allay fears of military uses.

The TRR-2 device, with a capacity of 20 megawatts, will run 21 days a month.

The new reactor would be applicable to the research of the following fields: medicine, semiconductor, industrial material, aerospace and environmental protection as well as improvement of safety in nuclear application.

The officials indicated that with the rise of the public's living standards, domestic demand for nuclear medicines is on the increase as well. In 1994 alone, Taiwan imported NT\$800 million [New Taiwan dollars] (US\$29.09 million) worth of such medicines and radioisotope, with nearly 80 percent of the radioisotope being produced by nuclear reactors.



The NRI forecasts that in industry, the TRR-2 project each year will bring in profits valued at NT\$450 million, or about 37 percent of the domestic market demand.

Taiwan entered the era of nuclear technology research in 1961 when National Tsing Hua University dedicated a small nuclear reactor for educational purposes.

**Taiwan: Representative Offices To Stay in Hong Kong After 1997**

OW2207041496 Taipei LIEN-HO PAO in Chinese  
13 Jul 96 p 1

[Report from Taipei by reporter Zhang Zongzhi (1728 1350 2535)]

[FBIS Translated Text] When giving a comprehensive response to suggestions made by National Assembly representatives on state affairs at the Third National Assembly yesterday, President Li Teng- hui said that, after the Chinese Communists take back Hong Kong in 1997, Taiwan can carry out no political activities in Hong Kong. However, our country will not withdraw our units presently stationed in Hong Kong. We will provide Overseas Chinese compatriots with social services and cultural exchanges.

Chiang Su-hui, the New Party's Overseas Chinese representative of the Hong Kong region, asked how the government will react to the changes in Hong Kong after 1997, and President Li responded: When people of our country visit the mainland, be it on sightseeing tours or investment business, most of them will go via Hong Kong. Therefore, after 1997 the organs presently stationed in Hong Kong will have to stay as well.

He said: After 1997, Taiwan can carry out no political activities in Hong Kong. Hence, if the organs presently stationed in Hong Kong were to stay, they would be "engaging more" in activities involving social services and cultural exchanges for Overseas Chinese compatriots.

President Li said: "We must carefully study the post-1997 issue of Hong Kong". In the future, many goods from Taiwan will have to be shipped to the mainland through Hong Kong. If our units in Hong Kong do not stay, then the "three links" issue will encounter problems.

### Hong Kong

#### Hong Kong: Patten Urges Clinton To Resolve Textile Row

HK2207070296 Hong Kong SOUTH CHINA  
MORNING POST in English 20 Jul 96 p 2

[By David Ibison]

[PTS Transcribed Text for FBIS] Governor Chris Patten has stepped into the escalating multi-billion-dollar textile row between the United States and Hong Kong by sending a strongly-worded letter to President Bill Clinton urging its rapid resolution.

Mr Patten accused the US authorities of undermining Hong Kong's "commercial and economic autonomy" at a particularly sensitive time and called for Washington to drop a key element in its demands in order to reach a speedy solution.

Negotiators for the US and Hong Kong were deadlocked on the issue of "joint verification", which would allow US customs officials to carry out enforcement work in Hong Kong. "This is fundamentally unacceptable to us," Mr Patten said.

"It seriously undermines Hong Kong's status as a separate customs territory, which is the pillar upon which our commercial and economic success rests." With less than a year before the handover, Mr Patten warned "it is of the utmost importance that Hong Kong allows nothing erode [as published] its commercial and economic autonomy".

He urged the US authorities to "rescind its package of additional measures imposed on Hong Kong without the requirement of joint verification".

Representatives from both sides have been at loggerheads for nearly a month after the imposition of tough documentation requirements on textiles and clothes shipped from Hong Kong.

Talks in Washington at the beginning of the month broke down, leading local legislators to threaten to take the US to the World Trade Organisation. Mr Patten said he was "keen for the matter to be resolved bilaterally, if possible".

Local businesses have warned the measures threaten textiles and clothing worth \$3.5 billion — equivalent to 9.6 percent of textiles and apparel exports — and place up to 4,000 jobs in the territory in jeopardy. "These measures have dealt a severe blow to the business of legitimate traders," Mr Patten said.

"Orders have been put on hold or cancelled.

"If the measures are maintained, Hong Kong's textile and clothing products will quickly lose their competi-

tiveness in the US market, with consequences for local employment and economic development."

#### Hong Kong: Editorial Points To 'Equivocation' by Lord

OW2007050096 Hong Kong SOUTH CHINA  
MORNING POST in English 20 Jul 96 p 16

["Editorial": "Changing Tones"]

[FBIS Transcribed Text] U.S. Assistant Secretary of State, Winston Lord, showed a certain degree of equivocation in talking about the future of the Legislative Council to a Senate panel on Thursday [18 July]. It did not amount to a U-turn on American opposition to China's plans to abolish the present Legco: Mr Lord, quite rightly, reiterated that it would be far better if all sitting councillors were allowed to ride the through-train.

But he also refused to condemn the provisional legislature as a breach of the Joint Declaration, and pointedly insisted that Washington "has not endorsed any, particular electoral law or set of proposals." That represents a substantial shift from President Clinton's declaration of support for the Governor's political reforms during Mr Patten's visit to the U.S. in 1993.

But the significance of Mr Lord's remarks go much further, with his insistence that the U.S. is in no position to make legal judgments on an international treaty to which it is not party. His carefully-drafted statement seems to have been prepared with the post-handover period in mind, so that it can be repeated whenever any other breach of the Joint Declaration is alleged.

On the provisional legislature, Mr Lord struck a pragmatic tone, recognising China was unlikely to change its mind, however much Washington might wish it to. But he underlined the importance of monitoring the representativeness of the interim body, and any changes to the rules under which elections are conducted in 1998.

Such suggestions are strikingly similar to the reported remarks by Chief Secretary Anson Chan Fang On-sang during her visit to the U.S. last month in which she was said to have taken the view that, if a provisional legislature was established, it should embrace a wide cross-section of public opinion. While Mrs Chan later backtracked amid rumours of a disagreement with the Governor, Mr Lord's revival of the idea shows the extent to which such an approach is taking root even among the strongest supporters of the Patten political reforms.

As the creation of the provisional legislature becomes increasingly inevitable, it is only natural that some who



previously devoted their energies to opposing it will recognise it as a reality, and begin to focus on pushing for the body to be as representative as possible. That seems to be the message from Mr Lord's testimony. It is a message likely to be increasingly heard elsewhere over the coming months.

**Hong Kong: Panel Says Hong Kong Chief Executive Must Be Chinese**

OW1907131996 Beijing XINHUA in English  
1258 GMT 19 Jul 96

[FBIS Transcribed Text] Beijing, July 19 (XINHUA) — The Chief Executive of the future Hong Kong Special Administrative Region [SAR] must be a Chinese citizen, and also a permanent Hong Kong resident, according to a meeting held today in Beijing.

At the second session of the Chief Executive Panel of the Preparatory Committee of the Hong Kong SAR, held on July 18 and 19 in Beijing, the panel also held that candidates for the post must be not less than 40 years old, and have ordinarily resided in Hong Kong for a continuous period of not less than 20 years.

The candidates must also have no legal right of abode in foreign countries, support the Basic Law, and be willing to pledge loyalty to Hong Kong SAR.

It was also proposed that incumbent civil servants can be nominated candidates for the Chief Executive. But they must resign when nominated.

Most of panel members agreed that candidates cannot be nominated in the capacity of representatives of any political party or organ, and they must quit from any political party or organ when nominated.

On the precise method for selecting the first Chief Executive, members said he or she should be chosen through local consultations, or through nomination and election after consultations, according to the relevant stipulations of the National People's Congress.

Preliminary discussions on the two methods were made at the meeting.

Members proposed details on the consultation, nomination, how to decide a namelist of the candidates, method of election, and method and procedure to report to the Central People's Government for appointment.

They also pointed out that after the Selection Committee is formed, the work concerned with choosing candidates for the Chief Executive must be conducted under the administration of the Preparatory Committee.

After the candidate is chosen by the Selection Committee, the Preparatory Committee will report to the Central People's Government for appointment.

**Hong Kong: PRC 'Will Control' Selection of SAR's Chief Executive**

HK2207062096 Hong Kong HONGKONG  
STANDARD in English 20 Jul 96 p 1

[By Baby Sung in Beijing]

[PTS Transcribed Text for FBIS] The Chinese government will control the selection of the first chief executive of the Hong Kong Special Administrative Region through the high-powered presidium of the Preparatory Committee (PC).

The two-day meeting of the PC chief executive panel in Beijing concluded yesterday that the 10-man presidium, half of whom are top mainland officials, should be "responsible for the organisation work" of the selection process of the first chief executive.

The 400-strong selection committee would also be required to choose the first chief executive candidate under the direction of the PC. It is understood that the presidium will be responsible for conducting the consultation meeting of the selection committee and be empowered to finalise the list of candidates. A discussion paper prepared earlier by the PC Secretariat proposed that "the president will prepare a candidate list for the discussion of the selection committee if consolidation is chosen as the selection method...and in case of consultation followed by election, the presidium will decide a list for the selection committee to consider if there are too many candidates.

Chinese officials attending the panel yesterday explained that the PC was the body empowered to establish the Special Administrative Region (SAR) and its authority of course included the selection process for the chief executive.

Under this principle, the officials said that they could not see any reason why it would be inappropriate for the presidium to play a role in the selection process. The officials also said the appointment of the chief executive by the Chinese government should be implemented with the presidium playing a role in the selection process. The officials added that the central government could state whether candidates were clearly unfavourable at the beginning. It could also veto the appointment even if a particular candidate was recommended by the selection committee.

The official explanation sparked heated debate in the discussion between Hong Kong and mainland PC members on whether the beginning or the end of the selection process was the appropriate time for the Chinese government to state its position through the presidium.

PC member and businessman Vincent Lo Hong-shui said he believed it was reasonable and necessary for the presidium to play a role in the selection because it had been made clear that the appointment of the SAR head was a substantive appointment and not merely a formality.

NPC [National People's Congress] local deputy Cheng Yiu-tong said he had suggested that, to avoid a conflict of roles, the presidium should not have the power to eliminate any nominees. Chinese University professor Lau Siu-kai said it was important to set up a fair mechanism to select the chief executive to prevent unfavourable interference.

#### **Hong Kong: Threat to Chief Executive Selection Process**

*HK2207062696 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 21 Jul 96 p 10*

[Editorial: "Making Sure That Hong Kong's Voice Is Heard"]

[PTS Transcribed Text for FBIS] Preparatory Committee members such as legislators Cheng Yiu-tong, Frederick Fung Kin-kee and a few others appear to be waging a rearguard action to limit the scope for the selection of the Chief Executive to be taken out of Hong Kong's hands. Their voices will strike the loudest chord in Hong Kong, if only because those who would rather stack the cards in advance are so used to getting their way that they rarely bother to voice their opinions in public. It must be strongly hoped by those with best interests of Hong Kong at heart that Committee members who speak out for the territory to have a real voice in the selection process will be listened to seriously by their more conservative colleagues. In the Committee as a whole and, more particularly, in the sub-group on the selection of the Chief Executive, unquestioning adherence to a line approved by Beijing would be a disservice to the community.

There are disagreements within the Hong Kong members as much as there are between mainland and local representatives about various aspects of the selection process. Unsurprisingly, Hong Kong members of the sub-group are split along different lines in each area. Some businessmen worry that the proposal to limit the number of candidates for the top Special Administrative Region (SAR) job by considering only those with at least 100 seconders on the selection committee would make it too easy to identify those who failed to support the winner. This has little to do with any concern for democracy or representativeness. It merely reflects a fear of the consequences of backing the wrong horse.

Nevertheless, opponents of the proposal are helping to leave the field open to a wider range of candidates.

Meanwhile, some sub-group members from political parties are also opposed to the notion that candidates for Chief Executive should renounce any party affiliation. Even the proposal that candidates should resign from all government posts has its opponents, since it might appear to be designed to prevent the Chief Secretary, Anson Chan Fang On-sang, from throwing her hat into the ring.

Yet the biggest worry must be that the entire selection committee process will be reduced to tokenism by leaving the vetting and selection of candidates in the hands of the Chairman and Vice-Chairmen of the Preparatory Committee. Although last week's sub-group statements may not be the final word, there is a real danger that a great deal more power may be given to the 10-member Preparatory Committee praesidium than could possibly be inferred from the Basic Law.

The rules on the formation of the first SAR Government state: "The selection committee shall recommend the candidate for first Chief Executive through local consultation or through nomination and election after consultations, and report the recommended candidate to the Central People's Government for appointment." It is possible, though undesirable, that the Central Government might feel this clause empowers it to reject the selection committee's choice. Doing so would destroy the credibility of the selection process. Whoever was installed in the Chief Executive's chair as a result would lack the legitimacy which will be so vital for the first occupant of the post.

But the clause hardly justifies the interpretation that a veto over possible candidates or the right to limit their numbers should be granted to a group of 10 hand-picked Beijing appointees, including the Foreign Minister and his deputy, the Director of the Hong Kong and Macao Affairs Office and the director of the Hong Kong branch of Xinhua News Agency.

Mr Cheng, Mr Fung and the few others who have spoken out against such a prospect deserve thanks and support. As Mr Fung has already discovered, to his cost, it takes much courage and nerve to adopt a stand so clearly unpopular with the mainland and the often silent majority around him.

That he feels the need to continue to act as he does is an indication of how serious the threat to the maintenance of a free, fair and open selection process has become, as is the way in which Mr Cheng, with his long service with the pro-Beijing Federation of Trade Unions, is taking a similarly principled stand.



Whatever their disagreements on specific points, the Hong Kong members of the Preparatory Committee, and certainly the local members of the sub-group, should be united on one thing — that the best interests of the territory are fully represented and their opinions listened to. To have decisions which so vitally affect our future taken over their heads would be bad enough in itself, but would also be a very worrying precedent for other decisions which lie ahead.

**Hong Kong: Selection Committee Must Choose Chief Executive**

HK2207062396 Hong Kong HONGKONG  
STANDARD in English 20 Jul 96 p 12

[Editorial: "SAR Head Should Be HK's Choice"]

[PTS Transcribed Text for FBIS] It is important that the first chief executive of the future Special Administrative Region (SAR) of Hong Kong has the endorsement of Beijing. But it is equally important that the choice is made by the selection committee, which is composed of Hong Kong people.

There is a consensus among members of the Preparatory Committee (PC) that the PC presidium is going to chair the consultation process within the selection committee. This presumably would mean that the presidium would have the power, in one form or another, to determine who the candidates will be.

The reasoning of mainland representatives on the PC goes something like this: the Basic Law clearly states that the PC is responsible for setting up the SAR government. This means, they argue, that it is natural for the PC to play a role in the selection process.

They quote the Basic Law as saying that the appointment of the chief executive is not a nominal one. Thus, they say Beijing should have a say in it.

They believe it is logical for the presidium, half of whom are top mainland officials, to decide who the candidates will be.

It is much too soon to work out all the implications of this latest development. It is also too early to give comprehensive answers to all the anxious questions that have been raised.

What happens if a particular candidate is rejected by the presidium after he or she has been recommended by the selection committee? This would not be good for Hong Kong.

If the presidium has the power to decide who the candidates will be, what criteria will they use?

Hong Kong has been promised a high degree of autonomy, with Hong Kong people ruling Hong Kong. A 1990 National People's Congress resolution stated that the selection committee would be responsible for the nomination of the chief executive. It also stressed that the committee would be made up of 400 permanent residents of Hong Kong.

China already has some built-in safeguards that will ensure the committee will not select someone deemed hostile to Beijing. For one thing, the 400 committee members were hand-picked by Beijing. Does China have no confidence in its own appointees?

There is a danger that the cumulative effect of these latest moves will be to undermine the whole basis of the Basic Law. In the process, China's credibility would be eroded. So would the confidence of Hong Kong people.

**Hong Kong: PRC Not To See Hong Kong Tax Files**

HK2207052896 Hong Kong HONGKONG  
STANDARD in English 22 Jul 96 p 1

[By Patsy Moy]

[PTS Transcribed Text for FBIS] The territory's new tax chief has ruled out passing on tax information on the local operations of China-based companies to mainland authorities in tax evasion investigations.

Commissioner of Inland Revenue Wong Ho-sang made the pledge in anticipation of a big increase in Chinese investment after the handover.

"The Basic Law sets out an independent taxation system for the future Special Administrative Region," he said.

Mr Wong said there would not be cross-border operations to crack down on tax evasion, either by Chinese companies investing in Hong Kong or firms from the territory operating on the mainland.

The department had neither the wish nor the power to hand over sensitive tax information to outsiders.

"In addition, our current Inland Revenue Ordinance guarantees the confidentiality of tax records — and we will insist on this principle," he said.

Mr Wong said it was vital for Hong Kong to maintain an independent tax system to ensure its economic success. He also said he did not think the department's investigative powers should be increased. "If our current system continues, there should not be any significant changes," he said.

Mr Wong said there would be more Chinese investment in the territory from next year because of its free port status and low tax regime.

Hong Kong's corporate profit tax rate is 16.5 per cent, compared with 33 per cent in most parts of China.

The mainland's five Special Economic Zones and Pudong in Shanghai, have a 15 per cent tax rate.

Mr Wong said that during the past 10 years, the department had seen a significant increase, in Chinese enterprises running businesses in the territory.

"The Chinese companies registered under very westernised names," he said. "We did not discover they were Chinese government-owned until the department assessed their tax returns."

But Mr Wong could not provide figures for Chinese taxpayers in the territory. He said the department did not keep such specific records. "In the past we have dealt with a number of Chinese enterprises," he

said. "Because of our low tax rate and Hong Kong's good business prospects, Chinese enterprises have been willing to settle the tax issues peacefully without any disputes. So far so good, no problem."

According to its deputy director, Ning Hong-sheng, the Hong Kong Chinese Enterprises Association has about 1,100 members. The companies' direct investment in the territory is more than \$100 billion.

Ian Perkin, chief economist of Hong Kong General Chamber of Commerce, was not as optimistic as Mr Wong about an increase in Chinese capital in the territory.

"It would depend on Beijing's attitude and policy, but I don't see there will be an overwhelming inflow of Chinese investment," he said.



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